

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

FROM : SAC, PHILADELPHIA (100-0)

SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING (SECURITY)

DATE: 4/1/57

Mr. Tolson
Mr. Nichols
Mr. Boardman
Mr. Bohannon
Mr. Glavin
Mr. Rosen
Mr. Tamm
Mr. Trotter
Tele. Room
Mr. Zimmerman
Miss Gandy

On 3/26/57, SA BRUCE P. FISHER of the Philadelphia Office received the enclosed pamphlet concerning the American Security Council (ASC), 205 West Monroe Street, Chicago 6, Ill. This pamphlet was furnished SA FISHER by his brother JOHN M. FISHER, President, ASC, who is a former FBI Agent.

Inasmuch as the enclosed pamphlet contains the following statement it is felt that this organization and its scope of operation should be brought to the Bureau's attention:

"The F.B.I. has been assigned the primary responsibility for the investigation of subversive activities and has done an excellent job of this. However, the F.B.I. is required by law to maintain its files as confidential, and it cannot divulge the facts in its files except for use in a court of law, or for the confidential use of other agencies of the federal government."

Thus, the F.B.I. is not permitted to furnish industry with facts concerning subversive activities. Industry therefore organized the American Security Council to meet its needs for factual information and guidance regarding such activities."

SA FISHER has advised that exclusive of the pamphlet he has not received any information concerning ASC.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 7/11/89 BY SP703/MC

- 2 - Bureau (Encl - 1)
1 - Philadelphia (100-0)

BPF:mchr

(3)

RECORDED

10 APR 2 1957

INDEXED 8

FOUR

67 APR 16 1957

ENCLOSURE TO BUREAU

- RE: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING (SECURITY)

One pamphlet concerning American Security Council

FROM PH (100-0)

ALL INFORMATION C
HEREIN IS UNCLASS
DATE 7/11/88 BY *Spinacl/bc*



ENCLOSURES

100-425828-1



AMERICAN SECURITY COUNCIL

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 2/11/88 BY SP7mac/kc

The American Security Council

*was organized and is
financed and operated by industry
for the protection of our country
and our free enterprise system
from Communism and other
forms of statism.*

SENIOR ADVISORY BOARD

CHARLES S. CRAIGMILE
President
Belden Manufacturing Company

JAMES S. KNOWLSON
Chairman of the Board
Stewart-Warner Corporation

ROBERT DONNER
President
The Donner Foundation

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THEODORE V. Houser
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Sears, Roebuck and Co.

GENERAL R. E. WOOD
Retired Chairman of the Board
Sears, Roebuck and Co.

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GENERAL W. A. WORTON
President
American Library of Information

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FRANK R. BARNETT
Director of Research
The Richardson Foundation, Inc.

HENRY REGNERY
President
Henry Regnery Company

JOHN M. FISHER
President
American Security Council

ROBERT J. WILSON
Director of Security
Argonne National Laboratory

INDUSTRY RELATIONS COMMITTEE

JOHN T. BEATTY
President
United Specialties Company

FRED P. KIRCH
Treasurer
Stewart-Warner Corporation

FRED E. BUSBEY
President
Gray Audograph Company

RAYMOND J. KOCH
Chairman of the Board
Felt & Tarrant Mfg. Co.

ROLAND E. FULTON
Executive Vice President
Employers Association of Chicago

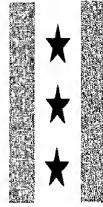
DAN A. SULLIVAN
Vice President
Society of American Military Engineers

OFFICERS

President JOHN M. FISHER Sears, Roebuck and Co.

Vice President KENNETH M. PIPER Motorola, Inc.

Secretary-Treasurer CYRIL W. HOOPER Stewart-Warner Corporation



The American Security Council

The American Security Council is a not-for-profit corporation which was organized by industry as a national central research and information center on subversive activities. It gathers, correlates and indexes *factual* information about communist and other statist movements.

The basic purpose of the American Security Council is to work for the preservation of our country and our free-enterprise system. As the Council has grown, it has also steadily broadened its approach to this problem.

The American Security Council is unique in that it is operated by industry. Its current President is an executive of a private company, and draws no salary for his full-time work at the Council.

The American Security Council has been aggressive and imaginative in locating and acquiring information concerning the camouflaged and hidden activities of the communist-statist conspiracies. It has already gathered together the largest and most complete private files on subversive activities in this country. Several regional files and libraries are to be consolidated with this material as additional funds become available.

The information developed by the American Security Council is available only to member companies, government agencies, carefully selected writers, scholars and other qualified persons. This restriction is necessary to prevent the misuse of this information.

the Council President's office is the scene of many planning sessions

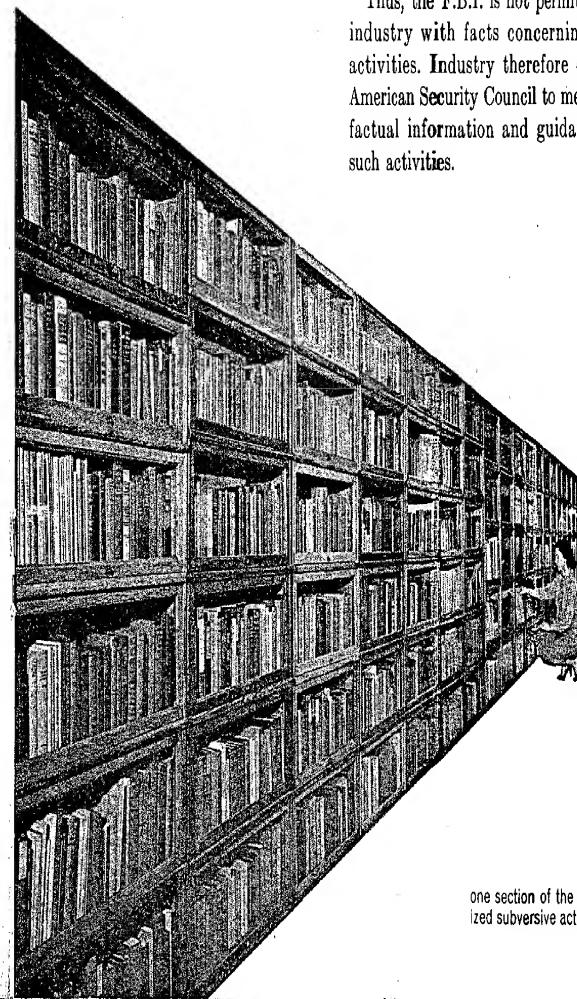


The need for the American Security Council

The most effective weapon of any subversive group is the very secrecy in which its agents work. For this reason they hide their true allegiance and work through all manner of fronts with worthwhile and patriotic sounding names.

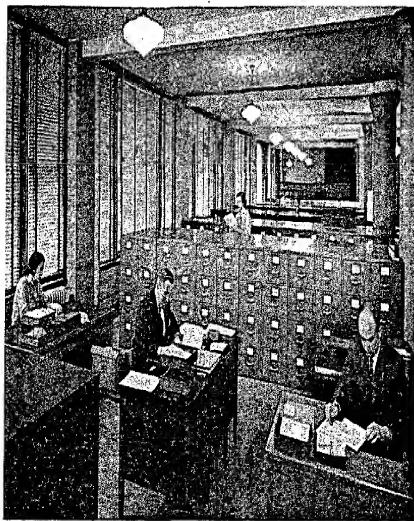
The F.B.I. has been assigned the primary responsibility for the investigation of subversive activities and has done an excellent job of this. However, the F.B.I. is required by law to maintain its files as confidential, and it cannot divulge the facts in its files except for use in a court of law, or for the confidential use of other agencies of the federal government.

Thus, the F.B.I. is not permitted to furnish industry with facts concerning subversive activities. Industry therefore organized the American Security Council to meet its need for factual information and guidance regarding such activities.



one section of the Council's specialized subversive activities library

a view of the main section of the Council's Confidential files.



American Security Council Accomplishments

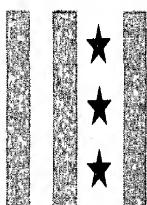
The American Security Council's concrete accomplishments show the tremendous scope of its present activities, and clearly illustrate the broad approach which will be used in the further development of the Council.

The American Security Council

- Has gathered together the largest and most complete private files on subversive activities in this country. It has information relating to the subversive activities of over 1,000,000 individuals and organizations.
- Is building its central index at the rate of 20,000 names a month.
- Handles 2,500 requests for security information a month.
- Sponsored (but did not finance) the organization of Fidelifax, Inc., which is a nationwide personnel investigative and fact-finding organization with 32 offices in major cities throughout the country. Each office of Fidelifax is headed by a former special agent of the F.B.I.

Fidelifax is a completely independent and separate corporation. The current president of the American Security Council is also president of Fidelifax, but there is no other overlap in personnel.

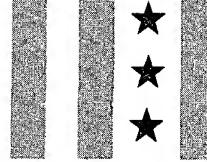
- Has substantial current coverage of public source material including 1,700 daily newspapers, all Communist Party publications, all federal, state and local hearings on un-American activities and numerous pertinent bulletins, newsletters and magazines.



COMPANY	Number of Employees	Annual Dues
MEMBERSHIP DUES		
1 - 24	\$30.00	
25 - 49	60.00	
50 - 99	90.00	
100 - 199	120.00	
200 - 399	150.00	
400 - 499	180.00	
500 - 599	240.00	
600 - 699	300.00	
700 - 799	360.00	
800 - 899	420.00	
900 - 999	480.00	
1000 - 1499	540.00	
1500 - 1999	600.00	
2000 - 2499	660.00	
2500 - 4999	740.00	
5000 - 9999	820.00	
Over 10,000	900.00	

The American Security Council is financed by industry with the assistance of many patriotic individuals. It will be able to meet its responsibilities to industry only to the extent that industry supports it. In full recognition of this, many companies are assisting the Council to a substantially greater extent than indicated by the above dues schedule.

Annual dues and other forms of assistance to the Council are a business expense. Special services rendered to an individual member company will be handled at cost.



AMERICAN SECURITY COUNCIL / 205 West Monroe Street, Chicago 6, Illinois

May 2 1957

Office Memorandum • UNITED GOVERNMENT

TO : DIRECTOR, FBI

DATE: 4-2-57

FROM : SAC, SEATTLE

SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING

The Bureau no doubt is aware of all of the background of the American Security Council group.

The purpose of this communication is merely to advise the Bureau that apparently they have mailed out a flyer booklet explaining what they are to all former Bureau agents, as the ex-Agents association group here advise me that they have all just recently received copies of such booklet.

2 - Bureau
1 - Seattle

RDA:LM
(3)

RECORDED-35 100-425828-2

18 APR 5 1957

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP1/mar/ll

64 APR 15 1957 3/6

FOUR

APR 5 1957

The FBI is mentioned on pages 5 and 6 of the attached booklet.

AMERICAN SECURITY COUNCIL

205 WEST MONROE STREET • CHICAGO 6, ILLINOIS

Telephone: ANDover 3-7428

Mr. Tolson
Mr. Nease
Mr. Rosenblum
Mr. Belmont
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Glavin
Mr. Felt
Mr. Nease
Tele. Room
Mr. Holloman
Miss Gandy

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Belden Manufacturing Co.

ROBERT DONNER
The Donner Foundation
Colorado Springs, Colo.

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FRED M. GILLIES, President
Acme Steel Company

THEODORE V. Houser, Chairman of the Board
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Illinois Central Railroad

JAMES S. KNOWLSON, Chairman of the Board
Stewart-Warner Corporation

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Federated Department Stores

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Chairman of the Board
Marshall Field and Company

WILLIAM F. REGNERY, President
Joanna Western Mills Co.

GENERAL R. E. WOOD
Retired Chairman of the Board
Sears, Roebuck and Co.

GENERAL W. A. WORTON, President
American Library of Information

PLANNING COMMITTEE

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The Richardson Foundation, Inc.

JOHN M. FISHER, President
American Security Council

HENRY REGNERY, President
Henry Regnery Co.

ROBERT J. WILSON, Director of Security
Argonne National Laboratory

INDUSTRY RELATIONS COMMITTEE

JOHN T. BEATTY, President
United Specialties Co.

FRED E. BUSBEY, President
Gray Audograph Co.

FRED P. KIRCH, Treasurer
Stewart-Warner Corporation

RAYMOND J. KOCH, President
Felt and Tarrant

DAN A. SULLIVAN, Vice President
Society of American Military Engineers

Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation
Washington 25, D. C.

Dear Mr. Hoover:

As you know, the Mid-American Research Library was organized by patriotic businessmen to preserve and to expand the Harry A. Jung files. The name of the organization has now been changed to the American Security Council. The attached brochure outlines the general nature and extent of the activities of our organization.

I and all the men who have backed the American Security Council have the greatest admiration and respect for you and the Federal Bureau of Investigation. We are willing and anxious to cooperate with you in any way to be certain that our activities will in no way hamper the vital work of the FBI.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/18 BY SP1/mek/tjw

REW: jz

Att.

Sincerely,

R. E. Wood

Senior Advisory Board

RECORDED - 37

EX-126

100-425828-3
5 MAY 3 1957 10 AM W.H.J.

EXP. PROC.
APR 23 1957

Act. 4/30/57
m - Chicago (afp)
8 1 m

1 Fennich

April 30, 1957

100-435828-3

RECORDED - 37

INDEXED - 37

SE 18

EX-126

Brigadier General Robert E. Wood, U.S.A., Retired
Senior Advisory Board
American Security Council
205 West Monroe Street
Chicago 6, Illinois

R.E. Wood

A. S. C.

Dear General Wood:

Your letter dated April 22, 1957, with enclosure has been received.

Your interest and courtesy in forwarding the enclosure for my information are indeed appreciated.

Sincerely yours,

APR 30 12 25 PM '57
REC'D-READING ROOM
FBI

MAILED 4
APR 30 1957
COMM-FBI

J. Edgar Hoover
John Edgar Hoover
Director

RECEIVED - CHICAGO (Information)

NOTE TO SAC, CHICAGO:

Correspondent is retired Chairman of the Board, Sears, Roebuck and Company and Bufiles reflect his association with the America First Committee during the early 1940s. (100-4712-378, 65-21151-61)

Also, correspondent communicated with Bureau 11-21-56 as program chairman of Military-Industrial Conference extending invitation to Director to speak at Military-Industrial Conference, Chicago, 3-14-57 (100-4712-10720N) which was declined. (94-49939)

(NOTE WTOSAC) RECEIVED APR 30 1957 CHICAGO CONTINUED ON PAGE 2

JTM:ers (4) (See note on yellow, page 2)

JAY 13 1957

Brigadier General Robert E. Wood, U.S.A., Retired

(NOTE TO SAC, CHICAGO CONTINUED FROM PAGE 1)

Correspondent's letter points out the American Security Council (ASC) is the successor to the ~~Mid-American Research Library~~. Enclosure to correspondent's letter consists of a brochure outlining the general nature and extent of the activities of the ASC.

The brochure points out ASC sponsored (but did not finance) the organization of Fidelifax, Inc., which is a nationwide personnel investigative and fact-finding organization with 32 offices in major cities throughout the country and each office of Fidelifax is headed by a former Special Agent of the FBI. ~~A penaly~~

In connection with Mid-American Research Library and Fidelifax, you are referred to SAC letters 56-13 and 56-27 respectively.

NOTE ON YELLOW ONLY:

Salutation per Reading Room.

The FBI is mentioned on pages 5 and 6 of the brochure. Comments on page 5 re Bureau are complimentary and points out the confidential nature of Bufiles. Comments on page 6 pertain to Fidelifax and former Bureau personnel.

SAC letters re Mid-American Research Library and Fidelifax pertain to the formation of these organizations and pointed out the Bureau has no connection with them.

First line address this letter same as that used in acknowledging previous letter from correspondent 11-28-56.

Tolson _____
Nichols _____
Boardman _____
Belmont _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
Nease _____
Tele. Room _____
Holloman _____
Gandy _____

GIR 1

Office Memorandum • UNIT GOVERNMENT

TO : Mr. L. V. Boardman *JFB
5-14-57*

FROM : Mr. A. H. Belmont *APB*

SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING
(INTERNAL SECURITY)

DATE: May 13, 1957

Tolson _____
 Nichols _____
 Boardman _____
 Belmont _____
 Mohr _____
 Parsons _____
 Rosen _____
 Tamm _____
 Trotter _____
 Nease _____
 Tele. Room _____
 Holloman _____
 Gandy _____

BACKGROUND

American Security Council (ASC) is an organization located at 205 West Monroe Street, Chicago, Illinois, financed and operated by private industry as a national central research and information center on subversive activities. Information developed is made available for a fee to member companies, Government agencies, writers, scholars, and other qualified persons since information developed by the FBI, which has primary responsibility for such investigations, cannot be divulged to unauthorized persons. Its officers include: president - John M. Fisher, Sears, Roebuck and Company; vice president - Kenneth M. Piper, Motorola, Incorporated; secretary-treasurer - Cyril W. Hooper, Stewart-Warner Corporation.

ASC sponsored the organization of Fidelifax, Incorporated, which organization is a personnel investigative one with offices throughout the United States which are headed by ex-FBI Agents.

PURPOSE

The field was fully informed of information concerning Fidelifax, Incorporated, by SAC Letter 56-27, which instructs that any inquiries should be answered by stating the organization has no connection whatsoever with the Bureau. It is now felt that inasmuch as the ASC is closely aligned with Fidelifax, Incorporated, the field should be acquainted with the background information on the ASC to preclude any doubt as to the organization and how inquiries concerning it should be acknowledged.

RECOMMENDATION

There is attached an SAC Letter in this regard. If you approve, this memorandum should be forwarded to the Training and Inspection Division for preparation and distribution to the field.

Enclosure *see 5-14-57*

RECORDED

INDEXED

100-4258284

EX-132

100-425828

CC - Mr. Nichols *5-14-57*

cc - Mr. Boardman

cc - Training and Inspection Division

cc - Mr. Belmont

cc - Mr. Baumgardner

cc - Mr. M. O'Connor

5-14-57

JOC:gft (7)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY SP/macl

Office Memorandum

UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: May 2, 1957

FROM : SAC, CLEVELAND (100-0)

SUBJECT: AMERICAN SECURITY COUNCIL
CHICAGO, ILLINOIS

INFORMATION CONCERNING

Mr. Tolson
Mr. Nichols
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Tracy
Mr. Trotter
Mr. Gleason
Tele. Room
Mr. Holloman
Miss Gandy

On April 25, 1957, [redacted] Ohio Oil Company, Findlay, Ohio, advised that he had received a letter from the above captioned organization located at 205 West Monroe Street, Chicago, Illinois, asking for a financial contribution. The letter lists a Board of Advisors including the Chairman of the Board of the Illinois Central Railroad and many other prominent Chicago citizens and was signed by General R. E. WOOD, former Chairman of the Board of Sears Roebuck and Company. The letter stated that the organization includes 100 former FBI Agents associated with Fidelfax, Inc. Mr. ASKAN stated that the organization apparently is concerned with industrial investigations of a security aspect and refers to "Personal Investigation and Nationwide Investigative Fact Finding Service." Mr. ASKAN inquired as to knowledge of this organization, however, no information was furnished to him.

b6
b7C

The indices of the Cleveland Office reflect no information concerning instant organization and the above is being furnished for information.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP1macke

2 - Bureau (RM)

1 - Chicago (RM)

JFK:eds (3)

memo Belmont to Boardman

Left to (CC SHG) 5-13-57

Tipped 5-13-57

Joc off

1120 AM 100-425828-5

RECORDED - 7A

100-425828-5
MAY 17 1957

EX 105

63 MAY 23 1957

O'Farrell

DO-6.

OFFICE OF DIRECTOR
FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

10:14AM November 25, 1957

[redacted] of Cities
Service Inc., telephoned locally. [redacted]
He stated Cities Service has
received a letter from the American
Security Council asking for
contributions. He stated this
organization apparently devotes
itself to obtaining information concerning subversive
activities. [redacted] pointed out that he noticed
the names of two former Agents on the letterhead, a
Fisher and Nat Piper. He wondered what the Bureau's
opinion of the American Security Council was.
Arrangements were made for him to speak to Mr.
DeLoach in Mr. Nease's office.

Mr. DeLoach has advised that he advised [redacted]
that the Bureau's files were confidential and we could
be of no assistance. Mr. Weaver was told, however,
that the Bureau had never investigated this organization.

jwd

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP1/machic

WPA S2 11 30 88 J.W.D.

RECORDED - 95

INDEXED - 95

100-425828-6
13 NOV 26 1957

64 DEC 2 1957

132

CRIMINAL DEPT.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. L. V. Boardman

DATE: April 23, 1958

FROM : Mr. A. H. Belmont

SUBJECT: THE AMERICAN SECURITY COUNCIL (ASC)

Pursuant to the request of Mr. Tolson's office, April 22, 1958, Bureau files have been checked concerning the captioned organization. The ASC was the subject of an SAC letter which was furnished the field on May 21, 1957. A copy of this SAC letter is attached as well as a copy of a memorandum dated May 13, 1957, from myself to you. This memorandum explains the background and the operations of the ASC.

It is noted that SAC letter concerning ASC refers to a previous SAC letter 56-27 (a) concerning Fidelifax, Incorporated. This SAC letter, issued May 15, 1956, indicates that Fidelifax is a Delaware corporation and reported to be an organization made up of former Special Agents of the Bureau. It has as its purpose the gathering together of a group of investigators to check credit records and conduct neighborhood investigations on a national basis. The identities of the various Special Agents connected with the organization are not known. The Bureau has received comments of a derogatory nature concerning the actions of these former Agents in capitalizing on their former associations with the Bureau.

Bureau files contain no further information concerning the ASC since the issuance of the SAC letter in May, 1957.

ACTION:

This is for Mr. Tolson's information.

Enclosures

JWB:bjt

(5)

1 - Mr. Boardman

1 - Mr. Belmont

1 - Liaison Section

1 - Mr. J.W.Brown

✓ ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/08 BY SP7mc/Hc

REC 95

100-425828-7

APR 25 1958

APR 30 1958

Tolson	_____
Nichols	_____
Boardman	_____
Belmont	_____
Mohr	_____
Parsons	_____
Rosen	_____
Tamm	_____
Trotter	_____
Nease	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

LIAISON

esa

(L) AMERICAN SECURITY COUNCIL - INFORMATION CONCERNING (INTERNAL SECURITY) -- Reference is made to SAC Letter 56-27 (A) concerning Fidelifax, Incorporated.

Inquiries have been received regarding the American Security Council (ASC), 205 West Monroe Street, Chicago, Illinois, which organization sponsored but did not finance the organization known as Fidelifax, Incorporated.

ASC is an organization financed and operated by private industry as a national central research and information center on subversive activities. Information developed is made available for a fee to member companies and other organizations and individuals deemed to be qualified by ASC. ASC was organized to provide industry with access to subversive information as the FBI can make such information available only to the Executive Branch of the Government. Its officers include: president - John M. Fisher, Sears, Roebuck and Company; vice president - Kenneth M. Piper, Motorola, Incorporated; secretary-treasurer - Cyril W. Hooper, Stewart-Warner Corporation. It is noted the aforementioned Fisher and Piper are former Special Agents of the FBI.

Any inquiries received should be answered by stating ASC has no connection whatsoever with the FBI and has no access to FBI information.

5/21/57
SAC LETTER NO. 57-31

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/2/88 BY SP1104/100-425828-
NOT RECORDED
176 JUN 3 1957

50 JUN 7 1957

51 MAY 2 1958

ORIGINAL FILED IN
66-04-2626

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. TOLSON

DATE: July 10, 1958

FROM : G. A. NEASE

SUBJECT: AMERICAN SECURITY COUNCIL

b6
b7C

Tolson _____
 Boardman _____
 Belmont _____
 Mohr _____
 Nease _____
 Parsons _____
 Rosen _____
 Hamm _____
 Trotter _____
 W.C. Sullivan _____
 Tele. Room _____
 Holloman _____
 Gandy _____

W.C. Sullivan

[redacted] in the office of Senator Javits of New York called. He stated that he was wondering if we could furnish him any information concerning the above organization, which is located at 205 West Monroe Street in Chicago, inasmuch as he understood that the organization employs former agents.

After checking, it was ascertained that this is an organization supposedly financed and operated by private industry as a national, central research and information center on subversive activities. In 1957 its officers included as president, John M. Fisher of Sears, Roebuck and Company; vice president, Kenneth M. Piper, Motorola, Incorporated; and as secretary-treasurer, Cyril W. Hooper, Stewart-Warner Corporation. Kenneth Piper is, of course, a former SAC in the Bureau. This outfit also has a close tie-in with Fidelifax, Inc., which is a personnel investigative outfit throughout the U.S. headed up by ex-agents.

I told [redacted] that it was my understanding this organization is financed and operated by private industry, supposedly as a national, central research and information center on subversive activities, and that I did not know anything about it or whether there are any former agents connected with it. I explained to him that once an agent leaves this Bureau, we do not follow his activities nor does he have any connection whatever with us. He wanted to know if Mr. Hoover had ever made any public statement indicating he was opposed to this type of private organization and I told him that Mr. Hoover had made no public statements on this question at all.

As a matter of interest, I recall that some time ago Joe T. McDonald, a local lawyer, had mentioned that he had discussed with Mickey Ladd some outfit in Chicago of which Mr. Ladd was on the planning board and it was my recollection it was this organization. In talking to Ladd on other matters, I mentioned the above organization to him and asked if it had any connection with his present position with the American Society for Industrial Security. He stated that he is on the planning board of the American Security Council, which he stated is a nonpaying job. He also volunteered that he understands the "New York Times" and the "New York Post" are planning articles blasting this group for labor baiting. He stated it was not true, of course.

S JUL 15 1958

1-Mr. Belmont
 1-Mr. Mohr
 1-Mr. Jones
 GAN:jmr
 (5)

88 JUL 22 1958

REF ID: A2
 ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 7/11/88 BY SP7mac/Hee

FBI

Date: July 14, 1958

Transmit the following message via AIRTEL~~CONFIDENTIAL~~ REC-95(Priority or Method of Mailing)
100-425828

DIRECTOR, FBI

SAC, CHICAGO (66-4503)

AMERICAN SECURITY COUNCIL
INFORMATION CONCERNINGCAUTION SHOULD BE USED IN HANDLING THE FOLLOWING INFORMATION
IN ORDER TO PROTECT THE IDENTITY OF THE SOURCE.

Re Chicago airtel July 11, 1958.

[redacted] on July 14, 1958, advised that SAM KUSHNER was at the headquarters of the Communist Party of Illinois, 36 West Randolph Street, Chicago, and contacted ERIC BERT in New York City. KUSHNER said that he wants to run the article on the American Security Council as a three-part serial. KUSHNER stated that there are several trade unions that will consider the article a real favor to them.

KUSHNER told BERT that he had given the address of the FBI as 211 West Monroe Street and he wants to correct it to 212 West Monroe Street. He stated that this new outfit (The American Security Council) is right across the street from the FBI and there is a real tie-up with the "Feebees."

AUERBACH

- 3 - Bureau (AIRMAIL) (REGISTERED)
- 3 - New York (AIRMAIL) (REGISTERED)
- 1 - 100-American Security Council
- 1 - 100-25623 [redacted] (#12-11)
- 1 - 97-169 (Publishers New Press) (#7-1)
- 2 - Chicago
- 1 - 100-2748 [redacted]

JEK/jcn

(8)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

52 JUL 24 1958

4481432
DECLASSIFIED BY 370636W/ACB
ON 7/24/03b6
b7C

REC-95

21 JUL 16 1958

Classified by SP7/24/HC
Declassify on 10AQR
7/11/88

CONFIDENTIAL

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

American Security Council (ASC) was subject of SAC Letter 5-21-57. It is financed and operated by private industry as a national central research and information center on subversive activities. Information developed is made available for a fee to member companies and individuals. John M. Fisher and Kenneth M. Piper, both ex-Agents, were president and vice president, respectively, of ASC in 1957. We have never investigated the organization.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY SP1/mef/bi

F B I

Date:

Transmit the following in _____
(Type in plain text or code)Via AIR MAIL (Priority or Method of Mailing)

Mr. Tolson
 Mr. Bearman
 Mr. Belmont
 Mr. Mohr
 Mr. Nease
 Mr. Parsons
 Mr. Posen
 Mr. Tamm
 Mr. Trotter
 Mr. W.C.Sullivan
 Tele. Room
 Mr. Holloman
 Miss Gandy

~~CONFIDENTIAL~~

TO : DIRECTOR, FBI (66-4503) 100-425828
 FROM : SAC, CHICAGO (66-4503)
 SUBJECT: AMERICAN SECURITY COUNCIL
 INFORMATION CONCERNING

DATE: 7/11/58

CAUTION SHOULD BE USED IN HANDLING THE FOLLOWING INFORMATION IN ORDER TO PROTECT THE IDENTITY OF THIS SOURCE.

b2
b7D

[redacted] on 7/10/58, provided information reflecting that SAM KUSHNER was at the headquarters of the Communist Party of Illinois, 36 West Randolph Street, Chicago, Illinois, and was contacted by GEORGE (possibly MORRIS), of New York City. (u)

b6
b7C

GEORGE asked what the Chicago press has carried concerning the American Security Council, which is collecting the names of about 30,000 individuals per week. KUSHNER stated that he does not know a thing about it, but that he will get on the ball to get some information concerning it. KUSHNER commented that he thinks that it is a conspiracy of silence. (u)

GEORGE advised KUSHNER that this thing was started by a guy named WILLIAM F. CARROLL, an FBI Agent; then there was another guy named [redacted], also an ex-FBI Agent, (u)

- 3 - Bureau (AIR MAIL) (REGISTERED)
 3 - New York (AIR MAIL) (REGISTERED)
 (1 - 100-) (American Security Council)
 (1 - 97-169) (Publishers New Press) (#7-1)
 (1 - 100-13203) [redacted] (#12-14)
 2 - Chicago
 (1 - 100-2748) [redacted]

100-425828-10

24 JUL 14 1958

RECORDED
 INFORMATION CONTAINED
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 EXCEPT WHERE SHOWN
 OTHERWISE

JUL SEC.

JEK/kw
(8)

Classified by [redacted]
 Declassify on DABR
 7/11/87

Approved: R. R. [Signature]

Sent _____ M _____ P _____

~~CONFIDENTIAL~~67 JUL 23 1958 f26
Special Agent in Charge

F B I

Date:

~~CONFIDENTIAL~~Transmit the following in _____
(Type in plain text or code)Via CG 66-4503
(Priority or Method of Mailing)

formerly attached to the Communist Party investigation in New York, and ROBERT J. WILSON, former head of the Chicago FBI Bureau of Subversive Activities. (S)(u)

KUSHNER asked if all of this stuff is in the Post ("New York Post"). GEORGE replied that it is. (S)(u)

KUSHNER then stated that he has copies of letters sent out by (General) ROBERT WOOD (Sears Roebuck executive), and these guys to companies urging them to join the Security Council in order to root out subversives. GEORGE commented that this is the same outfit. KUSHNER advised that he will forward these letters to GEORGE along with a copy of an application blank. KUSHNER also stated that he has "good script stuff". GEORGE advised that the Post had a series of two articles in yesterday's and today's newspapers, and also the front page of the "New York Times" has a story. GEORGE said that he wants KUSHNER to get a full story and send it to him for the front page (of "The Worker"). (S)(u)

Bureau files will reflect that Security Surveys, Inc., is owned by former SAC AL JOHNSON and former SA WILLIAM CARROLL. It is noted that former SA ROBERT J. WILSON advised on 5/1/57 that there is no connection between Security Surveys, Inc., the American Security Council, and the Illinois branch of Fidelifax. Former SA WILSON is presently connected with the American Security Council and the Illinois branch of Fidelifax. Further information is contained in Chicago letter to the Bureau dated 6/18/57, Bufile 62-100805. (S)(u)

The above is submitted for information.

AUERBACH

~~RECORDED~~

- 2 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date: 8/1/58

~~CONFIDENTIAL~~

Transmit the following in _____

(Type in plain text or code)

Via AIRTEL

(Priority or Method of Mailing)

Mr. Tolson
 Mr. Belmont
 Mr. Mohr
 Mr. Nease
 Mr. Parsons
 Mr. Rosen
 Mr. Tamm
 Mr. Tamm
 Mr. V. J. Sullivan
 Tele. Room
 Mr. Holloman
 Miss Gandy

TO : DIRECTOR, FBI (62-10080) 100-425828

FROM : SAC, CHICAGO (66-4503)

SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNINGCAUTION SHOULD BE USED IN HANDLING THE FOLLOWING
INFORMATION IN ORDER TO PROTECT THE IDENTITY OF THE SOURCE.

Re previous CG airtels concerning captioned organization.

On 7/31/58, CG 6031-S* furnished information concerning a conversation on that date between SAM KUSHNER, Illinois Editor of "The Worker," and ERIK BERT, a staff member of "The Worker" in NYC. KUSHNER told BERT that he had been able to develop additional information concerning the American Security Council (ASC) and that he had found a "tie in" between the Metal Trades Assn. and the ASC by interlocking directorates. KUSHNER and BERT also agreed that the series of articles being prepared by KUSHNER would be extended to five articles. KUSHNER again mentioned that he was attempting to show, in the articles which have not yet been published, a relationship between the ASC and the FBI. (SAC)

b6
b7c

KUSHNER also stated that the Illinois State Board had recommended that when the series of articles is completed the series should be reprinted in a four page tabloid. He said that it was recommended that 100,000 copies of this tabloid be prepared and that the Illinois CP was ready to take at least 10,000 of these copies. BERT did not indicate whether or not this proposal would be endorsed by "The Worker" staff in New York or the National Party leadership. (SAC)

- ③ - Bureau (RM)
- ③ - New York (RM)
- (1-97-169 PUBLISHERS NEW PRESS)
- (1-100-25623 [redacted])
- ③ - Chicago
 - (1 - 100-18209 ILL. CP, P & P)
 - (1 - 100-2748 [redacted])

JJF:ntf
(9)

Approved: _____

Special Agent in Charge

Sent OTHERWISE M. Per

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN

12 AUG Classified by SP7 Mackie
Declassify on OADM

Mixed
Bureau or Covert 100-425828
REC 94 100-425828
8/15/58

JUL 18 1958

FBI - CHICAGO

7/11/88

F B I

Date:

Transmit the following in _____
(Type in plain text or code)Via _____
(Priority or Method of Mailing) ~~CONFIDENTIAL~~

CG 66-4503

FUTURE KUSHNER and BERT also discussed the inclusion in a further article of material concerning an individual who had been prominent in efforts to promote local and federal "right to work" laws. KUSHNER indicated that this unnamed individual was part of a delegation from the Chamber of Commerce which had gone to Washington from Illinois to demand this type of legislation.

ADM

AUERBACH

- 2 -

~~CONFIDENTIAL~~Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

FBI

Date: August 1, 1958

~~CONFIDENTIAL~~

Transmit the following in

PLAIN TEXT

(Type in plain text or code)

Via AIRTEL

AIR MAIL REGISTERED

(Priority or Method of Mailing)

DIRECTOR, FBI (62-100805) 100-425828

SAC, CHICAGO (66-4503)

AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING

~~ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE~~

~~Classified by [initials]~~
~~Declassify on: OADR~~

7/11/88

SP1mac/kc

Re Chicago airtel July 11, 1958, and recent articles
in "The Worker" concerning the American Security Council.

CAUTION SHOULD BE USED IN HANDLING THE FOLLOWING INFORMATION IN
ORDER TO PROTECT THE IDENTITY OF THIS SOURCE.

[redacted] on July 31, 1958, orally furnished to
SA JOHN E. KEATING the following information which had been ob-
tained from CLAUDE LIGHTFOOT, Chairman of the Communist Party of
Illinois, on the evening of July 30, 1958.

LIGHTFOOT stated that there has been a national response
to the articles by SAM KUSHNER in "The Worker" in regard to the
American Security Council. He stated that this is one of the best
jobs KUSHNER has done and that KUSHNER has talked to conservative
trade union leaders concerning the American Security Council.
Trade Unions have also ordered copies of "The Worker" containing
these articles. LIGHTFOOT did not identify the trade union leaders
nor the trade unions involved.

- ce 1515
- 3 - Bureau (AIR MAIL) (REGISTERED)
2 - New York (AIR MAIL) (REGISTERED)
1 - 100-American Security Council
1 - 97-169 (Publ b2 hers New Press) (#7-1)
5 - Chicago b7D
1 - A) [redacted]
1 - 100-19431 (CP. Illinois District, Strategy in Industry)
1 - 100-2748
1 - 61-867 [redacted]

Classified by [initials]
Declassify on: OADR

~~ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE~~

REC-91 100-425828

JEK/jcn
(10)

Memo Baumgardner to Belmont

AUG 4 1958

F-5-56 cap ASA

EX-135

IV SEC.

5 7 AUG 12 1958

Approved:

Special Agent in Charge

Sent _____ M Per _____

~~CONFIDENTIAL~~b2
b7D

F B I

Date:

Transmit the following message via _____

~~CONFIDENTIAL~~

(Priority or Method of Mailing)

CG 66-4503

KUSHNER is stating that the American Security Council was organized by the FBI at the request of ROBERT WOOD, former executive of Sears Roebuck. KUSHNER told LIGHTFOOT that some trade union leaders are talking to Congressmen with the view of having a Congressional investigation of the American Security Council in order to show that there is a connection between the American Security Council and the FBI. The Congressional investigation would have as its aim the gathering of information as a basis for legislation which would disband organizations such as the American Security Council because they are anti-labor.

(u)

LIGHTFOOT stated that the series of articles in "The Worker" on the American Security Council has given the Communist Party contacts with the trade union movement.

(u)

[redacted] commented that as soon as an organization or activity is branded as being anti-labor, the CP attempts to capitalize on it in an effort to make a political football out of it.

(u)

b2
b7D

AUERBACH

- 2 -

~~CONFIDENTIAL~~

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

Office Mem

• UNITED STATES GOVERNMENT

TO : Mr. A. H. Belmont

DATE: August 12, 1958

FROM : Mr. F. J. Baumgardner

SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING (INTERNAL SECURITY)

Tolson _____
 Boardman _____
 Belmont _____
 Mohr _____
 Nease _____
 Parsons _____
 Rosen _____
 Tamm _____
 Trotter _____
 W.C. Sullivan _____
 Tele. Room _____
 Holloman _____
 Gandy _____

Reference is made to my memorandum of 7-31-58 (attached) relating to a series of articles concerning the American Security Council (ASC) which is attempting to show a tie-in between the ASC and the FBI. These articles have been appearing in succeeding copies of "The Worker," an east coast communist weekly newspaper.

The 8-10-58 edition of "The Worker" contains the fourth of this series which is entitled "Who Feeds the Blacklist Web?" (attached). Sam Kushner, Illinois editor of this newspaper, indicated this article would indict the FBI and its theme is set forth as follows: "There is material in the files of the American Security Council.... that in all probability comes direct from the files of the FBI." Kushner infers that inasmuch as the ASC has many ex-FBI Agents in its employ that "the kindest conclusion one can come to is that current FBI-ers make their files available to their old buddies." Kushner then attempts to show that the ASC is an industrial front for the FBI inasmuch as the Supreme Court has recently clamped down on the FBI's "use of files" with the subsequent result that the ASC and like organizations would be a wonderful "leak" for the Bureau. Kushner then goes off on a tangent attempting to prove his theory that the ASC is far more interested in antilabor and big business interests than providing industry with needed security information. He traces earlier histories of blacklisting by a lengthy discussion of so-called labor espionage activities which occurred in the 1930's. He claims the ASC is the modern representatives of such industrial espionage groups. Further, he attempts to justify his oft-repeated claims of FBI support of ASC by pointing out that two former FBI Agents form half of the so-called planning committee of the ASC.

There is nothing concrete in Kushner's claims which would give credence to his blatant claims that the Bureau (1) supports ASC, (2) furnishes information to the ASC, and (3) provides convenient "leaks" to this organization.

Enclosures

100-425828

- 1 - 94-401 ("The Worker")
- 1 - Mr. Nease
- 1 - Mr. Belmont
- 1 - Mr. Baumgardner
- 1 - Mr. Thornton
- 1 - Mr. O'Connor

EX-124

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY SP7mac/tlc

100-425828-13

AUG 15 1958

JOC:fkm

(7)

58 AUG 25 1958

1 auto copy
8-21-58

SEC. 1
FBI
Per

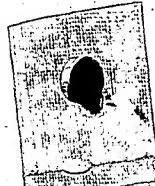
Memo for Mr. Belmont
Re: AMERICAN SECURITY COUNCIL
100-425828

ACTION:

None. For your information. This series was originally to number four; however, Kushner has indicated that it will be extended to five articles. Logically, this fifth article will appear in "The Worker" of 8-17-58 and you will be kept advised of pertinent data concerning this matter.

JW
dk
gf

F B I



Date: 7/28/58

ALL INFORMATION

(Type in plaintext or code)

Transmit the following in

SPRBS/CU 7-11-58

085 801

C 226 897

CONFIDENTIAL

WHERE SHOULD OVERTYPE

Via

Classified by

SAC/mae/AMC/PMS

(Priority or Method of Mailing)

Declassify on: 085 801 7-14-58

TO : DIRECTOR, FBI (66-40085) 100-425828

FROM : SAC, CHICAGO (66-4503)

SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNINGALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED 258 897
DATE 12/31/95 BY 9145 C110MSCAUTION SHOULD BE USED IN HANDLING THE FOLLOWING
INFORMATION IN ORDER TO PROTECT THE IDENTITY OF THE SOURCE.

Re CG airtels, 7/11/58 and 7/14/58.

CG 6031-S* advised on 7/25/58 that SAM KUSHNER, Illinois Editor of "The Worker", and ERIK BERT, a staff member of "The Worker" in NYC, were discussing the series of articles appearing in "The Worker" concerning the captioned organization which are being prepared by KUSHNER. KUSHNER stated that this series would consist of four articles. He said the ASC has made a real pressure drive on companies holding defense contracts. (X)(u)

KUSHNER stated that in his last article he would show a close relationship between the FBI and the ASC. He said the ASC apparently has FBI files available to their representatives and that representatives of ASC had talked to somebody and given information which could only have come from FBI files. He said this would probably be his "lead" in his last article. (X)(u)

This informant advised on 7/26/58 that KUSHNER was asked by MOLLIE WEST, Illinois CP leader, whether he had received any reaction from the ASC. (KUSHNER's first article appeared in the 7/20/58 issue of "The Worker"). (X)(u)

- 3 - Bureau (RM)
 3 - New York (RM)
 (1-97-169 - PUBLISHERS NEW PRESS)
 (1-100-25623 - [redacted])
 3 - Chicago
 (1-100-18209 - ILL. CP - PAMPHLETS & PUBLICATIONS)
 (1-100-2748 - [redacted])

JJF:mec

REC 36 100-425828

b6
b7c

5 JUL 30 1958

17 819

UNRECORDED COPY FILED IN

7-14-58
DECLASSIFIED BY SPACER 7-14-58
mec
Bamgarde
SAC/mae

59 AUG 22 1958 542
Approved: [Signature]

Special Agent in Charge

Sent _____ M Per _____

3 copies
8-69-58

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. W.C.Sullivan
Tele. Room
Mr. Holloman
Miss Gandy

97-401-
100-36733-
100-70994-

F B I

Date:

Transmit the following in:

(Type in plain text or code)

Via

(Priority or Method of Mailing)
CO

CG 66-4503

KUSHNER replied: (S)(u)

"Yes, they do not like it. I think that they see it as we do, that if this gets hot enough there will be a Congressional investigation of them and the tie-up to the FBI...That is, with all the former FBI agents, that is the key to the whole thing. We will draw our conclusions in the last article, but right now we are just laying out the facts." (S)(u)

KUSHNER also stated that he expected many additional developments to "break" as a result of his articles. He said that some of the other newspapers and some magazines might pick up the story. KUSHNER said that a couple of people had already talked to him about it and that some of the trade union papers might also take up this story. (S)(u)

AUERBACH

- 2 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

Memorandum to Mr. Belmont
RE: AMERICAN SECURITY COUNCIL
100-425828

~~CONFIDENTIAL~~

received indicating the inference is often given that the ASC has access to FBI files and in this regard SAC Letter 57-31 was prepared 5/21/57 to alert the field to the organization and the fact that the ASC has no connection whatsoever with the Bureau and has no access to Bureau files.

The contention by Kushner that the ASC has access to FBI files is, of course, groundless and there is no information indicating any "leaks" to personnel connected with the ASC nor is there information indicating the ASC has a source within the FBI. (R.W.)

ACTION:

None. For your information. The second article by Kushner appeared on 7/27/58 and he continued his attack on ASC and the implication of Bureau support of ASC. Logically the third article will appear on 8/3/58 and the last dealing directly with the so-called "tie" between the Bureau and ASC will appear 8/10/58. You will be kept advised of any further pertinent data in this matter.

July 26 of 9 +

Just another instance
of ex-CIA "trading"
on their former & B
connections.

~~CONFIDENTIAL~~

Master Blacklist

THE WORKER, SUNDAY, JULY 20, 1958

Page 3

Plotted for American Industry

By SAM KUSHNER

CHICAGO — Suite 300 at 205 West Monroe Street, on the western fringes of Chicago's Loop, has become the general headquarters for a campaign to establish a master blacklist in American industry.

It is the nerve center of the American Security Council.

Manned by a corps of former FBI agents, the Council maintains an undercover operation that recently came to light. More than a million names — allegedly those of Communists and others with "statist" connections — fill the numerous filing cases. And 20,000 new names are added every month.

This is not just another "crackpot" outfit. Unlike so many of its predecessors, it has blossomed forth with a list of imposing sponsors, including some of the midwest's most widely known industrialists. General Robert E. Wood, former head of the Sears Roebuck Co. has surrounded himself with a group of "respected" business leaders.

The Security Council claims to be a "private" organization but a number of circumstances seem to belie this claim. Its most prominent personnel, beginning with the Council's president, are former FBI agents.

John M. Fisher, ASC president, headed the New York FBI operations that investigated Communist Party activities in the New York area. The operating director of the Council is Robert J. Wilson, former FBI agent, recently engaged in the same type of activity in the Chicago area.

The FBI headquarters here are at 212 West Monroe Street, less than 100 yards from the building housing the American Security Council.

Behind the solid panel door marked "300" and, in small business like letters, "American Security Council" there is a small eight foot square ante-room.

AS ONE ENTERS this unadorned, cell-like cubicle, there is a small aperture on the left side through which one speaks to the office worker. When your reporter entered there were two office workers, both personable young ladies, present. None of the operating heads of the organization were around.

Did they have any folders, I asked. Was there any promotional literature? The answers were delivered in a cheerful but firm manner. Only the representatives could give out this information, and they were out. They would be glad to call me, I was told. No call was made.

Behind these offices, long rows of files are kept in a cavernous room.

This is the nerve center from which infodation has come that has undoubtedly cost hundreds of workers their jobs.

For an organization that claims

According to the N.Y. Times of July 10, the Chicago Tribune is one of the subscribers to the services of the American Security Council. But a careful examination of the Tribune files, as well as that of other Chicago newspapers, fails to reveal a single line written about this budding "security" organization. This is most peculiar for the Tribune, which will spend thousands of dollars to get a story in some far-off town to improve "security."

★

ONLY A FEW months ago, 75 companies were subscribing to the Council for information. Then the heat was poured on. The chief salesman was Gen.

Wood.

Letters sent to one of the companies which The Worker has obtained, reveal more than a sales pitch. They give away the true meaning of the organization.

Employer X got a letter from General Wood shortly after the first of the year. On January 20, this was followed up by a letter from McBain, and then on Jan. 28 from Galvin.

to be above-board in its operations, an eerie silence surrounds it. Big names support it. In addition to the notorious General Wood, there are Hughston McBain, former chairman of Marshall Field & Co.; Paul V. Galvin, chairman of the Motorola Co., and Fred M. Gillies, president of Acme Steel Co. None of these gentlemen has ever been publicity shy.

ENCLOSURE

100-426807-15
file 426807
100-426807-15
ENCLOSURE

In firm businesslike language McBain urged Mr. "X" to hurry up and join.

"I would like to emphasize," he wrote, "the importance of an affirmative decision (to join the American Security Council) at this time."

His letter went on: "In the past the full facts concerning subversive activities were not known to industry at a time when effective action could have been taken. The FBI has done a remarkable job in keeping track of these activities.

"However, FBI files are not open to industry. Even congress has been precluded from the use of these files. The American

(Continued on page 16)

Blacklist

(Continued from page 3)
Security Council's purpose is to obtain and supply facts concerning subversive activities. It has already been of inestimable help to congressional committees, government agencies and member companies." (Emphasis mine — S. K.)

★

THE GALVIN LETTER followed with a dollars and cents approach. The radio tycoon wrote to "X" that "Motorola has been active in the American Security Council since its inception and we know how very effective it has been. As a company, we have shown a return on our investment in the American Security Council. The direct benefits to us have far exceeded our membership expenditures."

Pressures such as this have brought the membership up to 175 in the past few months and the Council says it is shooting for 1,000 in a few years. Unemployment and the increased militancy of many workers have spurred the Council's plans. So apparently have the recent Supreme Court decisions limiting some of the FBI's activities.

The increased activity of the Council brought it to the attention of some sections of the press. The recent articles in the N.Y. Post and the Times reveal some aspects of the Council's operation. While performing a public service by revealing the existence of the Council neither New York paper deals with its essential anti-labor nature.

ASC president John M. Fisher, in his interview with the N.Y. Post, claimed that "we don't differ from a newspaper morgue (library). We don't use confidential sources of information. We don't use tipsters. We have no live sources."

But this does not jibe with McBain's claim, in his letter to "X", that the committee helps congressional committees (which also have access to FBI files, government agencies and companies. William Haddad, the Post reporter, while exhibiting a healthy skepticism to McBain's statements, did however conclude that the Council "is not a labor spy organization as such." This only tells part of the story.

Associated with the council are men with long records of anti-unionism, association and cooperation with anti-semites, leaders in the fight against hiring Negro workers, and some of the owners of factories that are among the worst sweatshops in the industrial midwest. Propponents of right to scab laws, are among the Council's major supporters.

Is the file of a million names just a checkup for employers who seek to detect "subversives" in industry; or is it an anti-union center aiming to eliminate active trade unionists by the formation of a nation-wide blacklist reminiscent of the early '30s?

In subsequent articles the nature of this Council, and its supporters will be revealed.

MARSHALL FIELD & COMPANY
CHICAGO

HUGHSTON M. MCBAIN
CHAIRMAN OF THE BOARD

January 20, 1958

Dear Mr.

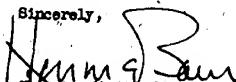
In his recent letter to you General Wood invited you to join the American Security Council. I would like to emphasize the importance of an affirmative decision at this time.

In the past the full facts concerning subversive activities were not known to industry at a time when effective action could have been taken. The FBI has done a remarkable job of keeping track of these activities. However, FBI files are not open to industry. Even Congress has been precluded from the use of these files. The American Security Council's purpose is to obtain and supply facts concerning subversive activities. It has already been of inestimable help to congressional committees, government agencies and member companies.

Seventy-five companies, including Marshall Field and Company, have participated in the organization and development of the American Security Council. I am most anxious for you to join with us in this vital endeavor.

Please sign the attached Membership Form now.

Sincerely,


Hughston M. McBain

EXECUTIVE OFFICES

JAN 22 1958



January 28, 1958

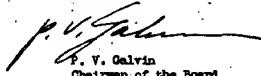
Dear Mr.

General Wood and Hughston McBain have both personally invited you to join with us in the American Security Council. I, too, feel that your participation is of vital importance to you and to the Council.

The American Security Council is so important to industry that each member company considers its annual dues to be a necessary business expense rather than a contribution. Motorola has been active in the American Security Council since its inception and we know how very effective it has been. As a company, we have shown a return on our investment in the American Security Council. The direct benefits to us have far exceeded our membership expenditures.

Please sign the enclosed form now and return it to me today.

Very truly yours,


P. V. Galvin
Chairman of the Board

PVO/jn
Enc. Courtesy carbon of
Hughston McBain's letter.

4545 W. AUGUSTA BLVD., CHICAGO 31, ILL. - SPAULDING 2-8800 - TELEVISION - RADIO - COMMUNICATIONS SYSTEMS

HERE IS DOCUMENTARY EVIDENCE of the campaign to win big business recruits for the American Security Council. First step was a letter to Mr. "X" from Gen. Robert E. Wood, former head of Sears Roebuck Co. This was followed by one (above left) from Hughston M. McBain, then chairman of Marshall Field & Co. Eight days later Mr. "X" received one (above right) from P. V. Galvin, chairman of Motorola Co.

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. H. BELMONT

DATE: August 5, 1958

FROM : MR. F. J. BAUMGARDNER

SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING
(INTERNAL SECURITY)DECLASSIFIED BY 345630 Jul 16
ON 7-24-58 u/a 432

Tolson
Boardman
Belmont
Mohr
Nease
Parsons
Rosen
Tamm
Trotter
W.C. Sullivan
Tele. Room
Holloman
Gandy

Reference is made to my memorandum of 7-31-58 relating to a series of articles concerning captioned matter which have been appearing in "The Worker" written by Sam Kushner, Illinois editor of this newspaper. (Copy attached.)

In this regard, the Chicago Office on 8-1-58 advised that Kushner informed Erik Bert, a staff member of "The Worker" in New York City, that information had been developed indicating a "tie-in" between the American Security Council (ASC) and the Metal Trades Association, not further identified, and that the series of articles being prepared would be extended to five. Kushner again mentioned that he was attempting to show, in the articles which have not yet been published, a relationship between the ASC and the FBI. (X)(u)

Kushner stated the Illinois State Communist Party (CP) Board has recommended that when the series of articles is completed it should be reprinted in a four page tabloid with the recommendation that 100,000 copies be printed. (X)(u)

b2
b7D

Chicago also reported on 8-1-58 that [redacted] reported that Claude Lightfoot, chairman of the CP in Illinois, indicated there had been national response to the articles by Kushner and that this is one of the best jobs Kushner has ever done. Lightfoot stated that Kushner has talked to conservative trade union leaders concerning the ASC and that certain trade unions have ordered copies of "The Worker" containing these articles. Lightfoot would not identify the trade union leaders nor the trade unions involved and stated that the series of articles has given the CP new contacts with the trade union movement. (X)(u) REC-30 100-425828-16

~~ALL INFORMATION CONTAINED~~
~~HEREIN IS UNCLASSIFIED EXCEPT~~
~~WHERE SPECIFICALLY IDENTIFIED~~

ACTION: None. For your information. You will be kept advised of further pertinent data concerning this matter.

Enclosure - detached and retained
100-425828 as tickler in Room 1575 8/19/58

1 - 97-401 ("The Worker")

1 - Mr. Nease

1 - Mr. Belmont

1 - Mr. Baumgardner

1 - Mr. Thornton

1 - Mr. O'Connor

JOC:blb lll (7)

SENT DIRECTOR
8-6-58

INT. SEC.
J. C. G.

UNRECORDED COPY FILED

12/10/85
CLASSIFIED BY 9145-C1/1005
Declassify 2589-87
On: 08/25/87

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SP/TH/AC
SP/TH/AC
SP/TH/AC

Declassify 2589-87
On: 08/25/87

8/13/58

AIRTEL

TO : DIRECTOR, FBI (100-3-69)
FROM : SAC, NEW YORK (100-80641)
SUBJECT: CP, USA-ORGANIZATION
IS - C

~~CONFIDENTIAL~~
AMERICAN SECURITY COUNCIL

NY-2010-S*, who has furnished reliable information in the past, reported on 8/12/58 that an individual who identified himself as JIM (possibly JIM WEST) contacted BOB THOMPSON at CP, USA headquarters in NYC on that date from CG and told him that he was calling in connection with "the supplement" which is coming out around Labor Day. (Apparently referring to a separate supplement in connection with the Labor Day edition of "The Worker"). (R)(u)

JIM stated that the enthusiasm in the Chicago area regarding "the supplement" is great and he believed "they" would be taking about 15,000 issues, depending upon the cost. THOMPSON stated that "the supplement" would come out around Labor Day and would not be included in "the paper" ("The Worker") but would be sold separately. THOMPSON stated that he understood that a letter was sent out to the various districts last Friday concerning "the supplement." (R)(u)

According to the informant, JIM (WEST) told THOMPSON that the matter was not clear to him. THOMPSON explained that two things are being printed in the form of a supplement, "the KUSHNER expose" and "the MORRIS articles." THOMPSON stated that there are actually two supplements coming out simultaneously, but they will be printed in separate form so they can be used separately. THOMPSON confirms that the supplements will come out shortly before the Labor Day edition.

- 4 - Bureau (100-3-69) (RM)
(1 - 97-401) (PUBLISHERS NEW PRESS, INC.)
1 - Chicago (Inf.) (RM)
1 - New York 97-169 (PUBLISHERS NEW PRESS) (7-5)
1 - New York 100-80641

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

MRD:mms

(8)

448432
DECLASSIFIED BY 39063d/wb/1B
ON 12/4/00

Classified by SP/Machec

Reclassify on

7/1/88 100-425828

NOT RECORDED

123 AUG 21 1958

INITIALS ON ORIGINAL

57 AUG 25 1958

ORIGINAL COPY FILE

~~SECRET~~

~~CONFIDENTIAL~~

NY 100-80641

The "KUSHNER expose" apparently refers to a series of articles by SAM KUSHNER which began in the 7/20/58 edition of "The Worker" on the American Security Council with offices at 205 West Monroe Street, Chicago, Illinois. According to "The Worker," the American Security Council is sponsored by "well known industrialists and manned by a corps of former FBI agents . . . which maintains names and files on alleged Communists and subversives." (u) (u)

THOMPSON then told JIM (WEST) that he had a trip tentatively scheduled for the last week in August or the first week of September to the Midwest. THOMPSON inquired if "they" could use him for any meetings during that period. JIM stated that it would be better if he came during the middle of September. THOMPSON replied that "we" have a National session (NEC) meeting) at that time and CLAUDE (LIGHTFOOT) would have to be here. THOMPSON stated that he could not come at a later date as he wanted to cover "a particular meeting" there.

FOSTER

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Office Memorandum • UNITED STATES GOVERNMENT

100-425828

TO : DIRECTOR, FBI (62-100805)

DATE: August 15, 1958

FROM : SAC, CHICAGO (66-4503)

SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING

dk

CAUTION SHOULD BE USED IN HANDLING THE FOLLOWING INFORMATION IN ORDER TO PROTECT THE IDENTITY OF THIS SOURCE.

Re Chicago airtel dated August 1, 1958.

[redacted], on August 7, 1958, orally furnished the information appearing on the following page to SA JOHN E. KEATING and Stenographer [redacted]. This information was reduced to writing on August 15, 1958.

b6
b7C

- 2 - Bureau (REGISTERED)
 2 - New York (REGISTERED)
 (1 - 100-) (American Security Council)
 (1 - 97-169) (Publishers New Press) (#7-1)

4 - Chic:

(1 - [redacted])
 (1 - 100-3301) [redacted]
 (1 - 100-2748) [redacted]

b2
b7DJEK/kw
(8)

2/1/58
 Classified by [redacted] / [redacted]
 Declassify on DADR

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

RECEIVED BY [redacted]
FEB 11 1959
DECLASSIFIED AND DESTROYED

448432
 DECLASSIFIED BY [redacted] / [redacted] / [redacted]
 ON 7/24/02

REC-74

FBI
 MEMORANDUM REC'D.
 REC'D. 100-425828

REC'D. 10

~~CONFIDENTIAL~~

August 7, 1958

In a recent conversation, SAM KUSHNER, Vice Chairman of the Communist Party of Illinois, was discussing the series of articles on the American Security Council. These articles were written by KUSHNER and appeared in "The Worker".

KUSHNER stated that various trade unions planned to visit the following United States Senators: WAYNE MORSE, of Oregon; PAUL DOUGLAS, of Illinois; and PATRICK MC NAMARA, of Michigan. KUSHNER stated that these Senators would be contacted with the view of having a Congressional investigation of the American Security Council in order to show that there is a connection between the American Security Council and the FBI. The Congressional investigation would have as its aim the gathering of information as a basis for legislation which would disband organizations such as the American Security Council because they are anti-labor.

KUSHNER stated that he started gathering information on the American Security Council five months ago and that he is convinced that the FBI has given some "lifts" to the American Security Council. In this regard, KUSHNER stated that some information was given out by the American Security Council pertaining to a friend of DAVID ENGLESTEIN, member of the State Committee of the Communist Party of Illinois. KUSHNER did not identify this individual but said that the nature of the information was such that it could only have come from the FBI or the "Red Squad" (Labor Detail) of the Chicago Police Department. KUSHNER said that he plans to "raise a big stink" that a Government agency is helping private Capitalists.

KUSHNER also stated that he intended to furnish his story on the American Security Council to Tass, the Russian news agency. KUSHNER also stated that in his articles he is going to "put Captain BARNES, of the Labor Detail of the Chicago Police Department, on the griddle" for furnishing information to the American Security Council. KUSHNER further stated that his articles on the American Security Council would be distributed as a leaflet.

It is possible that KUSHNER has bribed someone connected with the American Security Council and that this person is supplying information on the American Security Council to KUSHNER.

Classified by SP7ma/4
Declassify on 10/4/88

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency without prior permission of the FBI. It and its contents are to be handled in accordance with your agency's regulations concerning handling of FBI property.

100-42582-17 CONFIDENTIAL

- 1 -
ENCLOSURE

100-425828-1

ENCLOSURE

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
The Worker
23 W. 26th St.
New York, N. Y.

Editor:

Dear Sir:

May I express my thanks to the Worker and Sam Kushner for pointing out the truth behind the American Security Council and Fidelifax. Mr. Kushner states that, "Every indication points to Sears, Roebuck as being the major springboard to the entire anti-labor scheme". Truthfully this is an understatement, because, as a former employee of Sears I have seen and have had many experiences that prove without a doubt that Mr. Kushner is correct. I personally feel that it is about time such well known industrialists are exposed and pointed out for their anti-labor plans. Only by printing such articles as these will we be able to de-throne them and prove that while they hide behind such organizations they are surpassing the very people they employ. I am sure that many readers are going to gain an untold wealth of knowledge from a series of this type and I for one shall be looking forward to the next issues.

Sincerely,

Fred Barond

P.S. My copies of the Worker have not been to regular in reaching me, would you please check on this for me? In regards to the above letter if you were to reprint it please do not use my name.

44-6632
DECLASSIFIED 3/27/88
ON

Classified by [Signature]
Declassify Date [Signature]

7/3/88

RECORDED
SEARCHED
INDEXED
SERIALIZED
FILED
(Signature)

~~CONFIDENTIAL~~

b2
b7D

ENCLOSURE

DIRECTOR, FBI
ATTN: SECURITY INFORMANT SECTION

SAC, BOSTON [REDACTED]

b2
b7D

8/15/58

~~CONFIDENTIAL~~

[REDACTED]
POTENTIAL PANEL SOURCE
(OO - BOSTON)

(R)(u)
(R)(u)

b6
b7C

~~CONFIDENTIAL~~

On August 6, 1958, Panel Source [REDACTED] advised SA JOHN J. O'LALOR, III that he had subscribed to "The Worker" and in its July 27, 1958 issue noted an article concerning the American Security Council and Fidelifax. According to [REDACTED] the article stated that every indication points to Sears Roebuck and Company as being the major springboard to the entire anti-labor scheme. [REDACTED] felt that because he was a former employee of Sears Roebuck and would know what he was talking about, on August 6, 1958 forwarded a letter to "The Worker" agreeing with the above described article. [REDACTED] was advised that he should have contacted SA O'LALOR prior to the time he wrote this letter. [REDACTED] indicated that he was extremely sorry and that such an incident as this would not occur in the future. He said that he felt his letter might be printed in "The Worker" and as a result of his having written the letter he might be contacted by local Communists in the Boston area.

b2
b7D

A copy of the letter which [REDACTED] wrote to the editor of "The Worker" is presently a part of his file. One copy of this letter is being forwarded herewith to the Bureau.

+INCLOSURE

JJO 'L:Ras
3 - Bureau (RM) [REDACTED] (Enc. 1)
I - Boston [REDACTED]
(4) (R)(u)

b2
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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT THEREFORE
OTHERWISE

INITIALS ON ORIGINAL
~~CONFIDENTIAL~~
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188 AUG 29 1958

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Declassify on: OADR

1/13/84

51 SEP 2 1958

ORIGINAL COPY FILED IN

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. A. H. Belmont *AB*

DATE: August 19, 1958

FROM : Mr. F. J. Baumgardner *JMB*SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING (INTERNAL SECURITY)

Tolson _____
 Boardman _____
 Belmont _____
 Mohr _____
 Nease _____
 Parsons _____
 Rosen _____
 Tamm _____
 Trotter _____
 W.C. Sullivan _____
 Tele. Room _____
 Holloman _____
 Gandy _____

Reference is made to my previous memoranda, the latest being dated 8-12-58 (copy attached) concerning the series of articles dealing with the American Security Council (ASC) written by Sam Kushner, Illinois editor of "The Worker," for publication in this newspaper.

The concluding article appeared in the 8-17-58 edition of "The Worker" (attached). Kushner continues his attack on the ASC and its contribution to the growth of a so-called labor blacklist prepared by big business interests which is aimed at the suppression of all labor rights and the enlargement of profits. The ASC, according to Kushner, can be compared to a dagger poised at organized labor's heart and that inasmuch as this labor blacklist is ever growing the labor movement cannot rest until this scheme is put out of business.

Kushner in his concluding article rehashes the inference that the ASC and the FBI have "at the very least a close working relationship." He states that it is his opinion based on his investigation of the ASC that material available to the blacklisters comes from FBI files.

As in the previous articles, Kushner thrashes about with groundless and nonspecific inferences concerning the so-called connection between ASC and the FBI. In no instance in any of his articles has he presented one factual link between these organizations.

ACTION:

None. For your information.

Enclosures
100-425828

- 1 - 94-401 ("The Worker")
- 1 - Mr. Nease
- 1 - Mr. Belmont
- 1 - Mr. Baumgardner
- 1 - Mr. Thornton
- 1 - Mr. O'Connor

JOC:fk
(7)

7-7 AUG 1958 EX-135

REG-20

100-425828-18

AUG 21 1958

EX-135 CONTAINED

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HEREIN IS UNCLASSIFIED

DATE 7-17-88 BY SESSIONS 5-0

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7/1/88

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The Blacklist Link to the Open Shop Drive

By SAM KUSHNER (Conclusion)

CHICAGO — Two plots aimed at destroying the labor movement — the so-called right to work laws and the infamous blacklist — are so closely intertwined that it is almost impossible to tell them apart.

Three employers' organizations, all of them ardent supporters of the right to scab laws, are closely linked with the American Security Council.

The Council claims to have a million name file of "subversives." It is just an old-fashioned blacklist with a cold war tag. During the past four weeks, The Worker has laid bare the operations of this latest anti-labor scheme that is aimed at militant workers and active trade unionists.

★

TWO of the Industrial Relations Committee members of the Council (whose names did not appear on the first printing of the ASC folder) are E. Edgerton Art and Roland E. Fulton.

Hart, who is a staff member of the Illinois Manufacturers Association, is listed as secretary of that organization.

Fulton is the executive vice-president of Employers Association of Chicago.

With the addition of these two industrial representatives to one of the Council's top bodies, a merger of the blacklist and right to scab forces was consummated.

Cooperating, in a less direct manner, with the blacklists is the Illinois State Chamber of Commerce. John F. Tharp, manager of the Labor Relations Department of the State Chamber of Commerce explained to your reporter that the main pitch of his organization is to abolish "racket picketing." He explained that the state organization is of course for the "right to work" laws and is campaigning for the

last April the Chamber organized a "mass" lobby to Washington which supported the Knowland amendments that were defeated in the Senate. Among the other causes that the delegation of 43 industrialists campaigned for was the right-to-scab law.

Included in this delegation there were two representatives of Sears Roebuck, one from Motorola and one from Acme Steel. Joining with the representatives of these companies, all of them part of the blacklisting American Security Council was Byron H. Hill. He is manager of Labor Relations for the Kraft Food Company. He is also a member of the Labor Relations Committee of the American Security Council.

ONE OF THE MORE blatant exponents of the anti-labor union busting legislation is the Illinois Manufacturers Association. At the Senate Committee hearings on anti-labor legislation last May this big business organization was represented by William W. Miller, industrial relations director of the Stewart Warner Corporation. He argued, at great length for the outlawing of "compulsory unionism." He is for the open shop.

Last week The Worker exposed the fact that four of the Stewart Warner top executives hold key posts in the American Security Council. This company has a quarter-century record of antilabor activity. It seems fitting that a company which in the mid-30s spent considerable sums of money for labor espionage, ammunition and other implements of anti-working class activity should at this time be among the leaders in the battle for the open shop.

file
J. C. Johnson
5-7W

Wash. Post and Times Herald _____
 Wash. News _____
 Wash. Star _____
 N. Y. Herald Tribune _____
 N. Y. Journal-American _____
 N. Y. Mirror _____
 N. Y. Daily News _____
 N. Y. Times _____
 Daily Worker _____
 The Worker *pg. 3*
 New Leader _____

Date 8-17-58

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/1/02 BY SPENCE/JAC

ENCLOSURE

100-42582 8-18

THE EMPLOYERS Association

tion of Chicago, in contrast with the reluctance of the state organization, is quite anxious to declare its devotion to the "right to work" cause. A visit to the offices of this organization at 75 East Wacker Drive finds one flooded with union busting material.

A point of especial pride for the Chicago employers, it seems, is the enactment of the Indiana's anti-labor scab law. Multi-colored expensive brochures that glorify the activities of Indiana scabs are distributed wholesale.

It is no mere coincidence that the employers, such as Stewart Warner, Acme Steel, Kraft Foods, Motorola, and Sears Roebuck, which have such a great affinity for anti-labor legislation find themselves equally at home in the blacklisting Security Council. The activity of these organizations, merely represents two facets of the same question, that of anti-labor activity.

★

SOME of the sponsors of the American Security Council and Fidelifax exhibit a great diversity of interests. All of them are aimed at the common people. A few years ago the nation's farm centers suddenly found two new organizations in their areas. They were as ugly in their aims as in their initials. IGHAT and IGHUGS were the names on millions of buttons. The initials spelled out I'm Gonna Holler About Taxes and I'm Gonna Holler about Unnecessary Government Spending.

Who were the sponsors of these "farm grown" movements. None other than Sears Roebuck and Co. and Quaker Oats, two of the foremost initiators of the blacklisting Security Council. Despite the farm "front" that was attached to this reactionary campaign, aimed primarily at influencing Congress to cut taxes for the big corporations, it was the reactionary industrialists who were the power behind it.

The farm co-operative movement is a progressive trend in the nation's farming com-

munities. To the reactionaries this is a bad thing. After World War II the "Foundation for American Agriculture" was founded in the swank industrial executive offices in the city of Chicago. Its aim, if one breaks through all of the verbiage, was a simple one; to weaken the co-op movement.

The chairman of this organization is R. Douglas Stuart, chairman of the board of Quaker Oats. Other industrial luminaries included John H. Kraft of Kraft foods and General Robert E. Wood of Sears Roebuck.

All three of these companies are to be found later as among the active sponsors of the American Security Council.

Wayne A. Johnston, president of the Illinois Central Railroad emerges as another of the barefoot farmers from Chicago's LaSalle Street (the midwest's Wall Street). Together with his cohorts from Sears and Quaker Oats, the railroad president emerges as one of the trustees of the Farm Foundation, which is aimed to correlate the big business and big farm interests.

Johnston too finds time to serve as a member of the American Security Council advisory board. The above listings show, in a small way, the interlocking interests of some of America's most reactionary forces. Big business considers blacklisting as one of its many interests — although a very important one, no doubt. Your reporter is convinced that a study of the operations of Sears Roebuck and its key personnel would uncover links between this mail order house with every unsavory aspect of reaction.

★

THE AMERICAN SECURITY Council and its national counterpart Fidelifax are growing. This year is their first real one in business. Fidelifax offices are springing up throughout the nation month by month. What are some of the factors that have brought about this sudden outburst of activity on the part of the blacklisters?

The current depression gives part of the answer. Business is more anxious to squeeze out every last nickel of profits. This can only be done by beating down the demands of workers. Using

the hoary pretext of "subversion" the sponsors of the blacklist agency hope to keep workers — both factory and white collar — from fighting for their demands.

It is especially noteworthy that three of the sponsors of the American Security Council are prominent in the merchandising field. Hughston McBain of Marshall Field (former Chairman of the Board) General Robert E. Wood and many others from the Sears' interests and Fred Lazarus, Board Chairman of the Federated Stores compose the trio of retail trade interests in the top echelons of the blacklist set up.

★

SEARS ROEBUCK, faced with an organizational drive by the Teamsters Union has announced that it will resist with all of its efforts. The tremendous Sears mail order operation is a vast challenge to organized labor, which the Teamsters are preparing to meet.

Sears can be expected to utilize everything at its command, including the immense blacklist operation, to defeat this effort. Sears enters the battle well prepared.

John M. Fisher, a former FBI agent, is the "security" coordinator for Sears. He is also president of the American Security Council and the nation wide Fidelifax operation.

Hughston McBain, of Marshall Field, has announced his retirement. But he seems to be doing business at the same old stand. He still has a full time secretary at the Marshall Field offices. Your reporter talked to Miss Vee Winn, who is Mr. McBain's secretary. She confirmed the fact that her boss still was part of the Security Council's top board. McBain, as shown in photostats printed in the Worker, in previous weeks, is one of the big promoters of the blacklist agency.

All of the department stores are anxious to defeat unionization. With the economic squeeze on, it might be easier to organize the white collar workers. Instead of giving higher wages, some store owners apparently intend to intensify the use of the blacklist.



HUGHSTON McBAIN recently retired as the chairman of Marshall Field and Co. Chicago's State Street's showplace store. McBain stated he was retiring to devote his time to "civic enterprises. One of his unpublic enterprises is promoting the American Security Council. In the background is a painting of Marshall Field, the store's founder.

MAY 1958

Current Report

TO THE MEMBERSHIP OF THE ILLINOIS STATE CHAMBER OF COMMERCE

CHAMBER DELEGATION SEEKS CURB ON LABOR POWERS

LABOR LEGISLATION continues to occupy a top rung on the legislative ladder in Washington, with businessmen still intensely hopeful that corrective measures will be passed at this session.

Helping to fan the flames for box-scheme legislation and stall federal supplementation of employment compensation is the Illinois State Chamber delegation.

Business men aboard the delegation, headed by Robert W. McBain, president of the Illinois Chamber of Commerce, are boyishly optimistic about the outcome of the situation.

Leave Today on Trip to Washington

A group of 37 Illinois business men will leave today for Washington. They expect to find out a great deal about what the group term "monopolies" have to do with labor organization powers or labor organization.

Illinois Group Seeks Tighter Labor Laws

WASHINGTON, D. C.—A delegation of Illinois businessmen, led by Peter J. McBain, president of the Illinois Chamber of Commerce, has been in Washington since April 22 (AP).

WASHINGTON, D. C.—A protest against legislation to expand federally-financed unemployment compensation to persons who exhausted their state benefits at press time, the outcome of this action appeared uncertain, although it was felt that a bill advanced by the delegation would be adopted.

Union Power Foes Report Headway

Illinois C. of C. In Capital Drive

42 Members Prod Congress To Curb Labor Monopolies

By WILLIAM McGARVEY of our Washington Bureau

WASHINGTON—A delegation of 42 businessmen representing the Illinois State Chamber of Commerce began a day campaign here Tuesday.

Their goal: Congressional action on legislation which will curb clauses making

businessmen

ILLINOIS CHAMBER'S open-shop activity is revealed in this newsletter.

SOME OF THE METAL working plants, such as Motorola and Belden Manufacturing, are as anxious as their fellow industrialists in the retail trade to prevent their workers from unionizing. For others, where the workers belong to unions, the goal is to prevent effective action that will win wage increase and stop speedup. Any unionist who puts up a fight, in either the organized or unorganized plants, stands a good chance of ending up on the nationwide, blacklist.



IS THE SECURITY Council and the Fidelifax organization posted like a dagger pointing to the heart of organized labor? Here is a listing of some of the firms that are members or sponsors of the blacklist agency.

UNITED STATES STEEL
THE CHICAGO TRIBUNE
ILLINOIS CENTRAL RAILROAD
ACME STEEL COMPANY
STEWART WARNER CORPORATION
BELDEN MANUFACTURING COMPANY
ROCKFORD (ILL.) STAR
SEARS ROEBUCK AND CO.
MARSHALL FIELD CO.
KRAFT FOODS
FEDERATED STORES
QUAKER OATS
JOANNA WESTERN MILLS Co.

In addition to the above companies, The Worker has been informed that ASC and Fidelifax are conducting a special drive to enlist companies with government contracts in their organizations. Aside from pressure placed on these companies, many of them relatively small ones, by the giant corporations there is another angle. The Security Council publicly declared that the thirty two offices of Fidelifax are headed by former Federal Bureau of Investigation special agents.



THE TIE UP BETWEEN the FBI agents and security clearances for government contracts is not lost on some of the employers, one can be sure. This is especially underscored by the publicity brochure of the American Security Council.

"The FBI has been assigned the primary responsibility for the investigation of subversive activity", the Council blurb sheet states, "and has done an excellent job of this. However, the FBI is required by law to maintain its files as confidential, and it cannot divulge the facts in its files except for use in a court of law, or for the confidential use of other agencies of the federal government.

"Thus the FBI is not permitted to furnish industry with facts covering subversive activities", the brochure continues. "Industry therefore organized the American Security Council to meet its need for factual information and guidance regarding such activities."

Is the Security Council and

(Continued on page 13)

Blacklist

(Continued from page 3)

Fidelifax just a front for the FBI in order to circumvent the Supreme Court decisions? In the opinion of your reporter, who has investigated many facets of this whole blacklist operation during past weeks, the link between government agency and Fidelifax and the Security Council is at the very least a close working relationship. Evidence has come to The Worker, which was printed last week, that there is material available to the blacklists that in all likelihood comes from FBI files.

In any event, one thing is clear. The blacklist is back. It is masquerading as a respectable "security" organization; but it is the same old blacklist that is an ever present menace to organized labor. The labor movement cannot rest easily until this anti-labor scheme is put out of business.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. A. H. Belmont

DATE: August 27, 1958

FROM : Mr. F. J. Baumgardner

SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING
(INTERNAL SECURITY)

Tolson
Boardman
Belmont
Mohr
Nease
Parsons
Roben
Tamm
Trotter
W. O. Sullivan
Tele. Room
Holloman
Gandy

Review

A.D.P.

The 8-24-58 edition of "The Worker" (attached) contains "An Open Letter by the Editors To the Senate Labor Committee" which sets forth data concerning the American Security Council (ASC) and the alleged tie-in between this organization and the FBI.

The theme of the article is that the ASC is a threat to the American labor movement and in the opinion of the editors of "The Worker" jeopardizes the constitutional liberties of all Americans. The ASC, according to the article, is not an organization that can easily be disregarded and inasmuch as the ASC plans to expand considerably its membership, its antilabor policies will naturally increase in scope and importance. The article calls for a full congressional investigation of the ASC and the inference the ASC and the FBI are closely linked.

The article asks is the ASC a front for the FBI; has the Supreme Court decision relative to the use of FBI files in security cases made it necessary to build a labor spy network to serve industry; and lastly suggests that deductible business expenses by members of the ASC are costing the Government considerable revenue. In conclusion the article again calls for Senate Labor Committee to perform a great service for the Nation in undertaking an investigation of the ASC which investigation would receive the full cooperation of "The Worker."

OBSERVATIONS:

The author of the above article is Sam Kushner, Illinois editor of "The Worker" who also authored a series of five articles concerning the ASC which recently appeared in "The Worker" and which articles attempted to prove the groundless claim that there is

Enclosure ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

REC-86

100-425828

DATE 7-11-83

B/SP8 Bldg 3

REG 86

9/8/00-425828-19

- 1 - Mr. Nease
- 1 - Mr. Belmont
- 1 - Mr. Baumgardner
- 1 - Mr. O'Connor

JOC:amf
(5) 52 SEP 12 1958

UNRECORDED COPY FILED IN 97-401-1

Memorandum to Mr. Belmont
Re: AMERICAN SECURITY COUNCIL

a direct tie-in between the ASC and the FBI. The series of articles have been previously reviewed and failed to set forth one factual link between the ASC and the Bureau.

ACTION:

None. For your information.

gpk
jfb
jfb
gpk
gpk

An Open Letter by the Editors To the Senate Labor Committee

Senator John F. Kennedy, Mass., chairman,

Senator Wayne Morse, Oregon,
Senator James E. Murray, Montana,
Senator Pat McNamara, Michigan,
Senator Irving M. Ives, New York,
Senator William A. Purtell, Conn.,
Senator Gordon Allot, Colorado

GENTLEMEN:

A NATION-WIDE blacklist agency, Fidelifax, is a threat to the American labor movement and is placing the constitutional liberties of all Americans in jeopardy, in the opinion of the editors of The Worker. This situation as reported in our newspaper, cries for a public airing. Your committee, charged with the responsibilities of acting on matters affecting labor, is called upon to investigate this conspiracy against labor.

We are sure that you will not be misled by the "anti-subversive", super-patriotic label that this agency hides behind. The Chicago-based American Security Council, located at 205 West Monroe Street, boasts of one million names in its file; and that 20,000 are added every month. The ASC, by its own admission is the sponsor of the nationwide network of 32 Fidelifax offices, each headed by a former special agent of the FBI.

Among the sponsors of the Council there are such well known industrialists as Gen. Robert E. Wood, former chairman of Sears, Roebuck & Co.; Paul V. Calvin, chairman of Motorola, Inc.; Fred M. Gilleis, president of Acme Steel Co., and Bennett Archambault, president of Stewart Warner. Among the subscribers to this organization are U. S. Steel, The Chicago Tribune, Marshall Field & Co., Sears, Roebuck and others.

Tolson	_____
Boardman	_____
Belmont	_____
Mohr	_____
Nease	_____
Parsons	_____
Rosen	_____
Tamm	_____
Trotter	_____
Clayton	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

THE ABOVE is listed, gentlemen, to prove that this is no fly by night outfit that can easily be disregarded. Early this year the Council, in its promotional campaign for membership, stated that it had 75 companies in its membership. The latest information that this correspondent has, is that this number has almost tripled in the past six months period. As you will note from the enclosed articles, the Fidelifax offices are expanding their operations throughout the nation.

In the '30s the National Metal Trades Association and others developed major labor spy organizations responsible for deaths, frameups and anti-union activity. This was exposed by the LaFollette Senate Committee hearings.

At that time, the label of the anti-lab-

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1/1/98 BY SP7mch/jmc

Wash. Post and Times Herald	_____
Wash. News	_____
Wash. Star	_____
N. Y. Herald Tribune	_____
N. Y. Journal-American	_____
N. Y. Mirror	_____
N. Y. Daily News	_____
N. Y. Times	_____
Daily Worker	_____
The Worker	P. 3
New Leader	_____

Date 8-24-58

100-425828-19
ENCLOSURE

forces was "Americanism".

Now the title is changed to "anti-subversive". But it is the opinion of this paper's editors that the aim is the same as in the '30s, namely to prevent unionization wherever possible. Where this is not possible, then the aim is to weaken the effects—cost-wise—to the companies of the existing unions. There is no other logical explanation for the extensive operation of this blacklist agency.

★

THIS IN ITSELF would be serious enough to warrant a full investigation of this organization. But there are some other questions involved.

What is the tie-up between the ASC and the FBI? As you will note in one of the articles there apparently is material in the files of the Security Council that could only come from the FBI. The Worker has other material, which it would place at the disposal of your committee on the link up between the FBI and the Security Council.

Is this new agency a front for the FBI? Is it accident that the offices of Fidelifax are headed by former government agents? These are questions that we believe are of great importance to the nation. Has the Supreme Court decision relating to the use of FBI files in so-called security cases made it necessary to build this network to serve industry? The series of articles printed in The Worker point the finger in this direction.

★

PERHAPS of less moment, but nevertheless of some importance is the financing of this organization out of funds that should otherwise be paid in taxes to the federal government. The Council, as you will note, reminds its potential clients that dues and other expenses are "necessary business expenses", and are therefore tax deductible. Is this large anti-labor network being financed with funds that rightfully belong to the federal government.

Many other questions are posed by the activities of the American Security Council and Fidelifax. This young organization, which is expanding at a rapid rate, should be called to account at once. It is our sincere belief that your committee would be performing a service to the nation by undertaking an investigation and hearings on this matter. This newspaper would pledge its full cooperation in such an undertaking.

Very truly yours,
Sam Kushner,
Chicago correspondent, The Worker.

OFFICE MEMORANDUM *** UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (100-3-89)
FROM : SAC, CHICAGO (100-33756)
SUBJECT: COMMUNIST PARTY - USA
STRATEGY IN INDUSTRY
INTERNAL SECURITY - C

DATE: 10/17/58

~~CONFIDENTIAL~~

CARE MUST BE USED IN HANDLING AND REPORTING THE FOLLOWING INFORMATION IN ORDER TO PROTECT THE IDENTITY OF THE INFORMANT.

[redacted] on October 9, 1958, orally furnished to SA JOHN E. KEATING the information on the following pages. This oral information was reduced to writing on October 13, 1958. (A)(u)

b2
b7D

3 - Bureau (REGISTERED)
(1 - 100-425828) (American Security Council)

1 - New York (100-89590) (CP-USA, Strategy in Industry) (#7-5)
(REGISTERED)

5 - Chicago

(1 - [redacted])
(1 - 100-19431) (CP-USA, Illinois District, Strategy in Industry)
(1 - 100-2748) [redacted]
(1 - 66-4503) (American Security Council)

b6
b7C

JKW/KW
(9)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

7/12/88
Classified by SP/ma/c
Declassify on: 10/20/1958

100-425828-
NOT RECORDED
10 OCT 20 1958

~~CONFIDENTIAL~~

448432
DECLASSIFIED BY 390636/w/b/16
ON 7/24/00

66 OCT 22 1958

100-3-89-2067
ORIGINAL FILED IN

October 9, 1958

~~CONFIDENTIAL~~

During the Midwest Communist Party Conference held in Chicago during the weekend of October 4 and 5, 1958, there was a general discussion of the articles by SAM KUSHNER in "The Worker", which dealt with the American Security Council and Fidelafax. It was pointed out that these articles were well-received in labor circles, but that an effort should be made to turn these articles into a labor issue so that criticism of the activities of the American Security Council will become an issue beyond the Communist Party. It was also agreed that the American Security Council should be made an international issue and that efforts will be made to accomplish this.

It was felt that if the American Security Council can become a labor issue and an international issue, there is a possibility of turning this campaign into an attack against the FBI.

During this discussion, SAM KUSHNER boasted that the Communist Party has someone working in the American Security Council and that this person keeps him informed on what is happening in the American Security Council.

X-12
Classified by ~~Samuel H. C.~~
Declassify on ~~PADR~~

ALL INFORMATION ON THIS
PAGE IS CLASSIFIED ~~(X-12)~~
UNLESS INDICATED OTHERWISE

~~CONFIDENTIAL~~

COMMENTS OF

~~CONFIDENTIAL~~

b2
b7D

By way of opinion, it is felt that Communist Party activity in regard to the American Security Council should be closely followed. While it might seem that the Communist Party would have difficulty in turning this campaign into a labor issue, if the Party continues to stress this issue through propaganda and agitation, anything is possible.

ALL INFORMATION ON THIS
PAGE IS CLASSIFIED ~~(S)(U)~~
UNLESS INDICATED OTHERWISE

~~CONFIDENTIAL~~

BARRY GOLDWATER
ARIZONA

United States Senate
WASHINGTON, D. C.

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
LABOR AND PUBLIC WELFARE

SELECT COMMITTEES ON:
SMALL BUSINESS
IMPROPER ACTIVITIES IN
THE LABOR OR MANAGEMENT FIELD

January 16, 1959

Mr. Gordon Nease
Inspector in Charge
Room 5640
Federal Bureau of Investigation
Washington, D. C.

Dear Mr. Nease:

I would appreciate it if you would give me any information you have on the American Security Council. It is an organization ostensibly dedicated to pitting business and industry against "Communist-Soviet threats to our country and our free enterprise system."

Robert E. Wood is on the Senior Advisory Board; John M. Fisher of Sears, Roebuck & Co. is President; Kenneth M. Piper of Motorola, Inc. is Vice-President; and Cyril W. Hooper of the Stewart-Warner Corporation is Secretary-Treasurer.

Sincerely,

Barry Goldwater

REC-60

100-4625828- 20

25 JAN 22 1959

CRU/RBC

Given to Nease memo
1-21-59
DCH

REC-60

Mr. Nease

EX-102
100-425828-20

M. A. Jones

January 21, 1959

AMERICAN SECURITY COUNCIL
REQUEST FROM OFFICE OF
SENATOR BARRY GOLDWATER (R.-ARIZ.)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY SP7mfc/HC

BACKGROUND:

In a personal letter to you dated January 16, 1959, Senator Barry Goldwater stated, "I would appreciate it if you would give me any information you have on the American Security Council. It is an organization ostensibly dedicated to pitting business and industry against 'Communist-Soviet' threats to our country and our free enterprise system."

"Robert E. Wood is on the Senior Advisory Board; John M. Fisher of Sears, Roebuck & Co. is President; Kenneth M. Piper of Motorola, Inc. is Vice-President; and Cyril W. Hooper of the Stewart-Warner Corporation is Secretary-Treasurer."

INFORMATION IN BUFILES:

We have a main file on the American Security Council (ASC) which reflects the following information.

The most succinct resume of this organization is contained in SAC Letter Number 57-31 reading as follows:

"(L) American Security Council - Information concerning (Internal Security) -- Reference is made to SAC Letter 56-27 (A) concerning Fidelifax, Incorporated.

"Inquiries have been received regarding the American Security Council (ASC), 205 West Monroe Street, Chicago, Illinois, which organization sponsored but did not finance the organization known as Fidelifax, Incorporated.

5 7 JAN 29 1959
ASC is an organization financed and operated by private industry as a national central research and information center on subversive activities. Information developed is made available for a fee to member companies and other organizations and individuals deemed to be qualified by ASC. ASC was organized to provide industry with access to subversive information as the FBI can make such information available only to the Executive Branch of the Government. Its officers include: president - John M. Fisher, Sears, Roebuck and Company; vice president - Kenneth M. Piper, Motorola, Incorporated; secretary-treasurer - Cyril W. Hooper, Stewart-Warner Corporation. It is noted the aforementioned Fisher and Piper are former Special Agents of the FBI.

Tolson _____
Boardman _____
Belmont _____
Mohr _____
Nease _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Holloman _____
Andy _____
DGH:mfw (6)

MAIL ROOM TELETYPE UNIT
Enclosure

~ ~ ~

Jones to Nease memorandum

"Any inquiries received should be answered by stating ASC has no connection whatsoever with the FBI and has no access to FBI information."

Fidelifax, Inc., has offices throughout the United States, and these offices are headed by former FBI Agents. The Bureau has received comments of derogatory nature concerning the actions of these former Agents in capitalizing on their former association with the Bureau.

General Robert E. Wood, retired Board Chairman of Sears, Roebuck and Company has been very active in the ASC. The following newspaper items concerning ASC are of interest.

The "New York Times" issue of July 10, 1958, on page 56, carried a story headlined "Group Lists Data On 'Subversives'"

The "New York Post" issue of July 10, 1958, on page 5, carried a feature story headlined "Subversive Names For Sale."

"The Worker," east coast communist newspaper, has carried a number of articles critical of ASC written by Sam Kushner, Chicago representative of "The Worker." These items appear in the following issues of "The Worker": 7-20-58; 7-27-58; 8-3-58; 8-17-58 and 8-24-58.

given We have received information from time to time indicating the inference often that the ASC has access to FBI files and in line with this inference Kushner, in his articles, also infers this which is not true.

We have in file two copies of a brochure concerning the American Security Council.

RECOMMENDATION:

It is recommended that you or Mr. DeLoach orally brief Senator Goldwater on the high lights of the above. It is also recommended that you make available to him a copy of the ASC brochure which is attached.

Office Memorandum • UNITED GOVERNMENT

TO : Mr. Nease

DATE: January 21, 1959

FROM : M. A. Jones

SUBJECT: AMERICAN SECURITY COUNCIL

REQUEST FROM OFFICE OF
SENATOR BARRY GOLDWATER (R.-ARIZ.)

Tolson _____
 Belmont _____
 Mohr _____
 Nease _____
 Parsons _____
 Rosen _____
 Tamm _____
 Trotter _____
 W.C. Sullivan _____
 Tele. Room _____
 Holloman _____
 Gladney _____

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SCH:mlw (6)

Enclosure

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or his
administrative
assistant

I talked with [unclear] 8/22/59
Ditz Randolph

100-425828-22
REG-25

January 29, 1959

Mr. Kenneth T. Paxton
Vice President, Personnel Division
G. C. Murphy Company
531 Fifth Avenue
McKeesport, Pennsylvania

Dear Mr. Paxton:

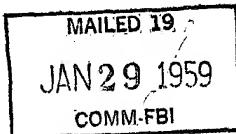
KIT Your letter dated January 21, 1959, with enclosures, has been received.

Although I would like to be of service, the FBI has not investigated the American Security Council, and I am unable to be of aid. The thought prompting your contacting this Bureau, however, is appreciated.

Sincerely yours,

J. Edgar Hoover

John Edgar Hoover
Director



NOTE: Correspondent is not identifiable in Bufiles. Cordial correspondence has been had with other officials of the Murphy Company. The American Security Council is financed and operated by private industry, supposedly as a national central research and information center on subversive activities. Its vice president is former SAC Kenneth M. Piper and retired assistant to the Director D. Milton Ladd is on its planning committee. It also has a close tie-in with Fidelifax, Incorporated, a personnel investigative outfit of ex-Agents. Currently Sam Kushner, Communist Party of Illinois, has made widespread allegations that the American Security Council has been receiving information from the Bureau and SAC letter 57-31 has alerted all field offices to the fact that the ASC has no connection whatsoever with the Bureau and has no access to Bufiles.

DCL:paw (3)

MAIL ROOM 51 FEB 3 1959

100-58-3-6
DEBL DE 102
LBI
CONTINUED

G MURPHY COMPANY

531 FIFTH AVENUE
MCKEESPORT, PENNSYLVANIA

KENNETH T. PAXTON
VICE PRESIDENT
PERSONNEL DIVISION

January 21, 1959

J. Edgar Hoover, Director
Federal Bureau of Investigation
Ninth & Pennsylvania Ave., N.W.
Washington 25, D. C.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP7mch

Dear Sir:

I have been asked by the Chairman of the Contributions Committee of the G.C. Murphy Company to seek your opinion of the American Security Council; its work and the effect of same upon containing the Communist movement within our country.

The attached copy of a request for membership and funds is the third such received by Mr. W. C. Shaw, Chairman of the Board and Mr. J. S. Mack, President, in the past year. We rejected the first two, but are now wondering if perhaps we are shirking our duty as an American business organization.

There are, of course, hundreds of so-called Anti-Communist organizations throughout these United States and all of them are after funds -- they all claim to accomplish the same ends. It is difficult to determine where our help should go - if any, where.

RECEIVED 100-485828-22
Would you be kind enough to give us your thoughts in the matter, being assured that they will remain confidential.

FEB 2 1959
Sincerely yours,

K. T. Paxton

ATTACHMENT (2) ENCL. 2
KTP:aw
Attachments (2)

2/22/59
1-822-59
OK

CRIMINAL REC

ALL INFORMATION CONTAINED

100-425828 - 22
ENCLOSURE

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ANNUAL MEETING

The Annual Meeting of Common Shareholders will be held at the registered office of the Corporation, 531 Fifth Avenue, McKeesport, Pennsylvania, at 11:00 A.M. on Tuesday, April 8, 1958.

Notice of meeting, proxy statement, proxy, and return envelope are enclosed with this report.

Shareholders who cannot attend the meeting are urged to exercise their right to vote by proxy, and to sign and return the enclosed proxy card.

TRANSFER AGENT

Bankers Trust Company
46 Wall Street, New York 15, New York

REGISTRAR

The Chase Manhattan Bank
11 Broad Street, New York 15, New York

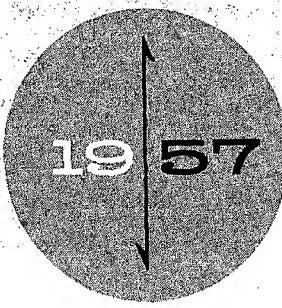
GENERAL COUNSEL

Griggs, Moreland, Blair & Douglass
Oliver Building, Pittsburgh 22, Pennsylvania

AUDITORS

Lybrand, Ross Bros. & Montgomery
Oliver Building, Pittsburgh 22, Pennsylvania

G. C. MURPHY COMPANY AND WHOLLY-OWNED SUBSIDIARY



HIGHLIGHTS

	<u>1957</u>	<u>1956</u>
Sales	\$208 226 887	\$204 828 650
Average Sales Per Store	\$658 946	\$662 876
Employees' Compensation and Other Benefits	\$41 450 323	\$40 367 168
Earnings Before Federal Income Taxes	\$18 067 566	\$17 919 841
Net Earnings	\$8 743 566	\$8 724 841
Earnings Per Share	\$4.11	\$4.10
Dividends Per Share	\$2.12½	\$2.12½
Taxes Per Share	\$5.71	\$5.62
Additions to Property and Equipment	\$5 967 511	\$5 601 641
Working Capital	\$36 448 838	\$35 181 292
Current Ratio	3.39 to 1	3.18 to 1

BOARD OF DIRECTORS



WALTER C. SHAW
Elected 1919
Chairman of the Board
47 years of service



JAMES S. MACK
Elected 1940
President
22 years of service



WALTER C. SHAW, JR.
Elected 1942
Vice President—
Sales Manager
24 years of service



EDGAR L. PAXTON
Elected 1946
Vice President—
Merchandise
30 years of service



EARL F. MCCLUNE
Elected 1948
Vice President—Real
Estate and Construction
23 years of service



KENNETH T. PAXTON
Elected 1946
Vice President—
Personnel
30 years of service



CARL F. SCHATZ
Elected 1958
Treasurer
21 years of service



J. CLARENCE KELLY
Elected 1943
Surgeon



THOMAS N. GRIGGS
Elected 1949
Attorney at Law
Griggs, Moreland,
Blair and Douglass



HAROLD E. CROSBY
Died January 12, 1958
Vice President—
Construction
1946-1958

With the death of Harold E. Crosby, we lost a man of exceptional character, ability, and singular devotion to his Company.

G. C. MURPHY COMPANY

BOARD OF DIRECTORS

WALTER C. SHAW	KENNETH T. PAXTON
JAMES S. MACK	EARL F. MCCLUNE
WALTER C. SHAW, JR.	CARL F. SCHATZ
EDGAR L. PAXTON	J. CLARENCE KELLY
THOMAS N. GRIGGS	

</

G. C. MURPHY COMPANY

Variety Stores

McKEESPORT, PENNSYLVANIA

March 1, 1958

To Our Shareholders and Co-Workers:

Despite the fact that 1957 gave indications of being a difficult year for retailing, your Company improved both sales and earnings. The unflagging efforts of our co-workers and the cooperation of our suppliers made this possible.

Although sales increased only 1.7% against those of 1956, earnings for the last six months more than recovered the drop of 10¢ a share reported at midyear, with earnings for the year of \$8,743,566, equal to \$4.11 a share. This compares with \$4.10 reported for the previous full year.

Murphy's Quick Service, the result of intensive research through our Consumer Forum, Customer Opinion Panel, and store experimentation, was installed in 230 stores. This created some disruption in individual store operation during the period of installation, but it undoubtedly contributed toward more satisfactory year-end results.

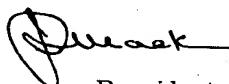
The expansion program is being continued. A minimum of five new stores is projected for the first six months of 1958, matching the 1957 program, with 28 others under contract or construction. Expenditures for 1957 exceeded those of any previous year since 1951. A real estate office was opened in Atlanta, Georgia on February 28, to keep in closer contact with the fast-growing Southern area.

In view of present economic conditions and indicated trends, we have included in this Report a five-year Review of pertinent data. This factual summary of your Company's performance and of its present condition will, we believe, be of particular interest to you.

It has been most encouraging to receive many constructive comments from Shareholders, particularly regarding Quick Service and the expansion program. We are confident that this combined interest and effort will continue to produce progress.

Sincerely yours,

W. G. Shaw
Chairman of the Board


President

SALES

Although the down turn in the rate of business activity in the last quarter adversely affected sales, the total for the year established a new high of \$208,226,887. This is an increase of \$3,398,237 or 1.7% over the 1956 sales.

At the close of 1957 there were 316 stores in operation, 7 more than at the end of the previous year. The average sales per store were \$658,946 compared with \$662,876 for 1956.

EARNINGS

Earnings before federal taxes increased \$147,725 to \$18,067,566. This increase reversed the trend for the first half of the year, despite adverse factors in the Fall.

After all taxes, net earnings were \$8,743,566 and amounted to \$4.11 per share of Common Stock outstanding. In the previous year net earnings were \$8,724,841 or \$4.10 per share.

DIVIDENDS

Regular quarterly dividends of 50¢ per share on Common Stock were paid throughout the year, with a year-end extra of 12½¢ per share paid on December 1. This equalled the 1956 payment of \$2.12½ per share. Dividends paid for the year were \$4,525,198.

Shareholders in all states, the District of Columbia, and several foreign countries at year end numbered 8,877, including 1,573 co-workers and their families. The Company received, for the third consecutive year, the annual award

of United Shareholders of America for meritorious achievement in the field of Management-Shareholder Relationship.

The Company's 1956 Report was awarded the "Oscar of Industry" in the *Financial World's* annual survey, being judged the best in the variety store field. This was the sixth year such recognition was received.

TAXES

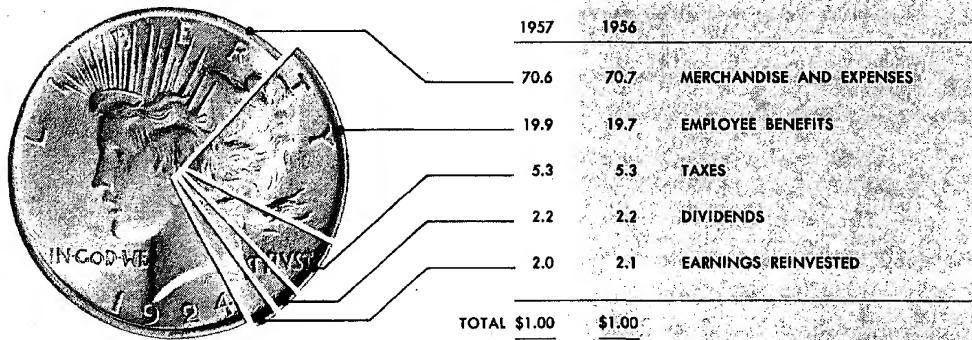
Again the total of all taxes except those paid as rent, of \$12,156,259 equal to \$5.71 per share of Common Stock, established a new high. The same is true of \$9,784,878 of taxes which were withheld from employees or collected from customers for federal, state, and local governments.

WORKING CAPITAL

Current assets at December 31, 1957 exceeded current liabilities by \$36,448,838. This is an improvement in working capital of \$1,267,546 over the comparable amount at close of the prior year. This improvement is also reflected in the ratio of current assets to current liabilities which moved up to 3.39 to 1. The current ratio at December 31, 1956 was 3.18 to 1.

Inventories at year end totaled \$32,818,785 and were \$1,747,048 more than at December 31, 1956. This increase is due primarily to the requirements of new stores, and the expansion of assortments developed through continued research, analysis, and the expressions of the Customer Opinion Panel.

Here Is How the Sales Dollar Was Used



PROPERTY AND EQUIPMENT

During the year \$5,967,511 was expended for additions to property and equipment. The major portion of this amount is represented by the cost of equipment for the 8 new stores opened in 1957, modernization of 24 others, the installation of Quick Service Stations in 230 stores, and the conversions of 140 store fronts to permit open vision. The total investment, before depreciation, in property and equipment at the end of the year amounted to \$69,384,499.

PERSONNEL

Total personnel costs, including compensation and benefits, were \$41,450,323 compared with \$40,367,168 in 1956. The rise reflects the additional personnel in new and enlarged stores and wage rates increased to recognize greater productivity from improved operations.

Employee benefits include group life insurance, sickness and accident payments, Christmas bonus, liberal vacations, and retirement provisions. Life insurance of \$23,817,700 is carried for co-workers without cost to them. Sick relief payments were distributed to 1,133 employees during 1957. The Retirement Plan now has 4,350 members and has paid benefits to 373 co-workers or their beneficiaries, at no cost to them.

At the Annual Meeting of the Veterans Club, 150 employees were initiated bringing to 1,200 the total membership of those with 15 or more years of continuous service. Special recognition was given to 116 veterans who completed 20 years of service, 37 with 25 years, 24 with 30 years, 2 with 35 years, and 1 with 40 years of employment.

Substantial awards were granted to many employees for recommendations submitted under the Suggestion System to improve service and operating procedures.

Maximum service to customers requires continued emphasis on personnel training. Acceleration of the manager's trainee-assistant program, begun two years ago, has provided qualified replacements for management assigned to new stores. Instruction at the store level and by specialized field representatives qualifies sales personnel to handle new procedures of Quick Service Station operation and to further improve service to shoppers.

Christmas open-house parties, sponsored by

the Company in each store, were attended by approximately 57,000 in 1957. These enjoyable occasions enable both employees and their families to become more familiar with their store organizations and shopping facilities.

Co-workers in each store continue to participate constructively in their communities by working with local authorities to promote Business-Industry-Education days, support Distributive Education programs, and administer and assist with fund raising and other civic efforts.

Your Company is continuing to give special support and encouragement to local efforts to improve downtown parking facilities and attract new industries into communities in which it operates.

EXPANSION AND MODERNIZATION

Expansion continued with the opening in 1957 of 8 additional stores. Plans for other new stores were affected by the tight money market which has retarded builders of shopping center locations from completing such units.

Two of the 8 new shopping center locations opened are in suburbs of Indianapolis, Ind. Others are in Alexandria and Richmond, Va.; Pensacola, Fla.; Huntsville, Ala.; Buffalo, N. Y.; and Weirton, W. Va.

One of 2 stores in Seymour, Ind. was closed, so service to customers in that area could be concentrated in the larger unit.

Conversion of counters in 23 more stores provided greater merchandise sales and display area. The location in Pikeville, Ky. was completely renovated. "See-through" fronts were installed at 140 locations and 25 additional units were air conditioned during the year. Quick Service Stations were constructed in 230 stores.

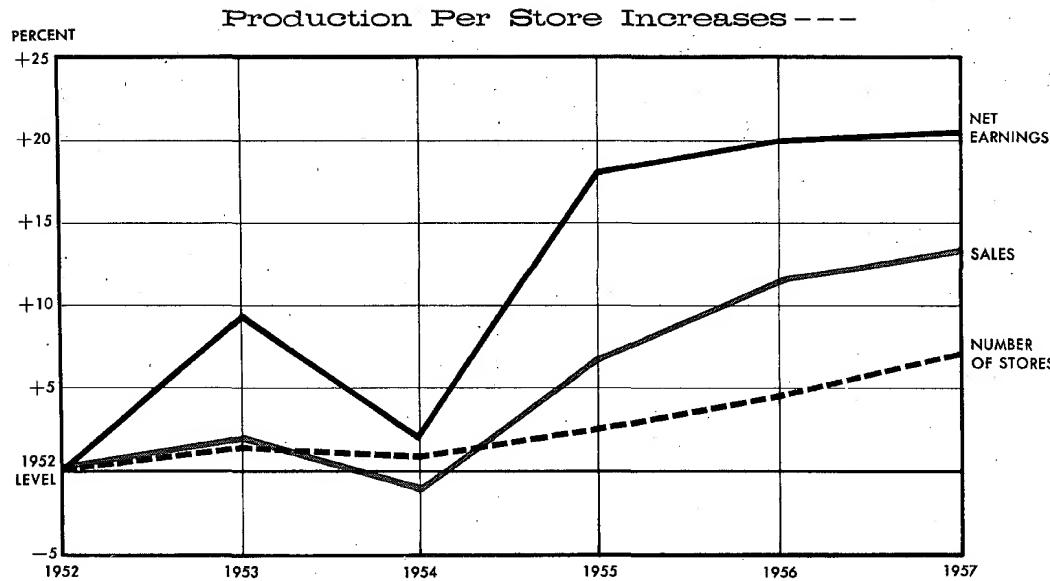
Five locations were enlarged to provide greater sales space in Mullens, W. Va., where more area was leased; Salem, Ind., where additional property was purchased; Bellefontaine and Defiance, O.; and South Haven, Mich.

Expansion of present stores is planned in property leased in Pontiac, Ill. and purchased in Meadville and State College, Pa. Parts of present store buildings in Pontiac, Ill. and Shelbyville, Ind. were purchased in 1957.

Plans for continued growth include 33 new stores presently under construction, lease, or option.

100-425828-22

FIVE YEAR



Expansion and Modernization Show Continued Growth ---

	NUMBER OF STORES							ADDITIONS TO PROPERTY AND EQUIPMENT	
	OPENED		Closed	Net Increase	Air Con-ditioned	Modem-ized	Enlarged		
	Shopping Centers	Other							
1953	3	1	-	4	3	27	13	\$ 3 877 268	
1954	3	-	4	-1	17	17	5	4 007 077	
1955	7	-	2	5	46	17	12	3 716 692	
1956	6	2	2	6	28	31	13	5 601 641	
1957	8	-	1	7	25	*	5	5 967 511	
TOTALS	27	3	9	21	119	116	48	\$23 170 189	

*In addition to 24 modernized, 230 stores were equipped with Quick Service Stations.

Shopping Center stores were 10% of the total in operation at year end.

YEAR REVIEW

Growth Is Reflected in Many Phases---

NINGS

ES

MBER
STORES

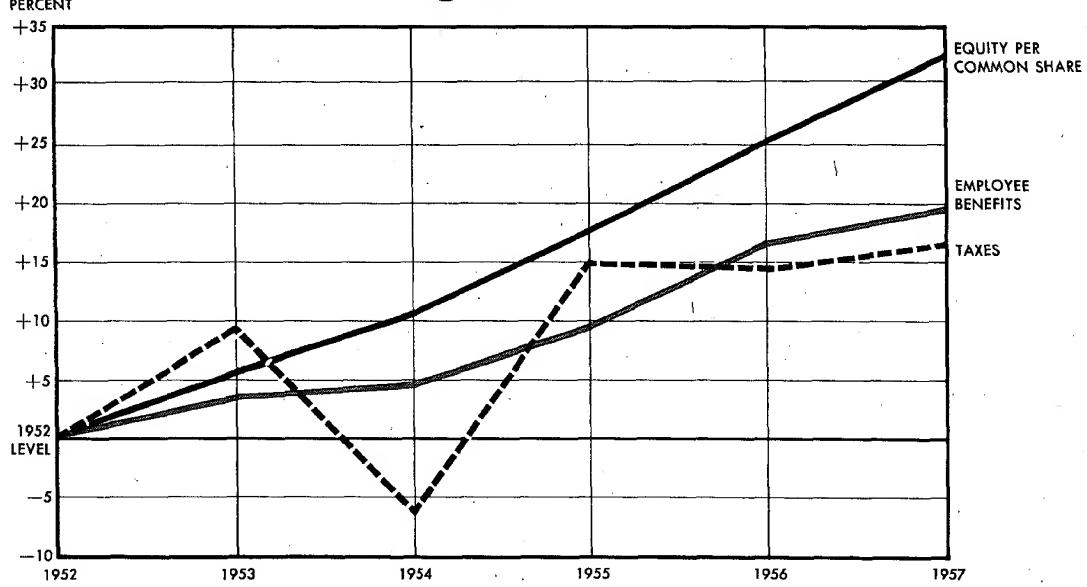
	1952	1957	PERCENT INCREASE
Number of Stores	295	316	7
Sales	\$184 065 449	\$208 226 887	13
Working Capital	\$ 34 085 522	\$ 36 448 838	7*
Taxes	\$ 10 219 848	\$ 12 156 259	19
Earnings Per Share	\$3.21	\$4.11	28
Book Value Per Share	\$26.36	\$34.97	33
Number of Common Shareholders	6 347	8 877	40

*All outstanding Preferred Stock redeemed and long-term debt eliminated.

Increased Productivity Aids in Controlling Major Expenses ---

	% OF SALES DOLLAR		
	Merchandise and Expenses	Employee Benefits	Combined
1953	71.0%	19.2%	90.2%
1954	71.0	19.9	90.9
1955	70.8	19.3	90.1
1956	70.7	19.7	90.4
1957	70.6	19.9	90.5

And Progress Is Shared ---



CONSOLIDATED BALANCE SHEET

December 31, 1957 and December 31, 1956

G. C. MURPHY COMPANY AND

	<u>1957</u>	<u>1956</u>
ASSETS		
Cash	\$16 212 337	\$18 602 945
U. S. Government securities, at cost and accrued interest	2 649 601	6 668 526
Merchandise inventories, at the lower of cost or market:		
Stores and warehouses	29 975 984	28 304 108
In transit	2 842 801	2 767 629
→ Total Current Assets	51 680 723	51 849 208
Property and equipment, at cost:		
Buildings	8 791 399	8 468 385
Improvements to leased properties	28 784 822	27 829 814
Fixtures and equipment	29 863 759	26 632 137
Less, allowances for depreciation and amortization	67 439 980	62 930 336
Land	33 776 013	31 754 001
→ Total Property and Equipment	35 608 486	33 057 054
Prepaid expenses	1 049 528	1 146 448
Miscellaneous accounts receivable and sundry investments	1 361 772	865 462
	\$89 700 509	\$86 412 172

NY AND WHOLLY-OWNED SUBSIDIARY

LIABILITIES	1957	1956
Accounts payable, including merchandise in transit.....	\$ 2 894 192	\$ 2 913 645
Taxes withheld or collected	911 239	813 417
Accrued compensation and other expenses	3 779 083	3 924 928
Accrued state, social security and other taxes.....	946 653	946 984
Provision for federal income taxes.....	6 700 718	7 562 942
→ Total Current Liabilities	15 231 885	16 161 916

CAPITAL

Common Stock, par value \$1 per share:

Authorized 3,000,000 shares		
Issued 2,129,500 shares	2 129 500	2 129 500
Paid-in surplus	11 467 891	11 467 891
Earnings retained in the business	60 871 233	56 652 865
→ Total Capital	74 468 624	70 250 256
	\$89 700 509	\$86 412 172

NOTE: Minimum annual rentals on property leases in effect at December 31, 1957, (including estimated payments for property taxes and insurance but excluding rentals from sub-tenants) total \$5,370,000, the major portion of which was for premises under leases extending for more than ten years.

CONSOLIDATED STATEMENT OF EARNINGS

For the years ended December 31, 1957 and December 31, 1956

G. C. MURPHY COMPANY AND WHOLLY-OWNED SUBSIDIARY

	<u>1957</u>	<u>1956</u>
Sales	\$208 226 887	\$204 828 650
Cost of goods sold and operating expenses	\$183 109 449	\$180 067 166
Provision for depreciation and amortization	3 349 045	3 169 704
Taxes, other than federal income taxes	2 832 259	2 772 107
Employees' retirement plan costs	1 080 000	1 340 000
	190 370 753	187 348 977
	17 856 134	17 479 673
Other income, net	211 432	440 168
→ Earnings Before Federal Income Taxes	18 067 566	17 919 841
Provision for federal income taxes	9 324 000	9 195 000
→ Net Earnings For the Year	8 743 566	8 724 841
Earnings retained in the business, beginning of year	56 652 865	52 453 222
	65 396 431	61 178 063
Dividends paid on Common Stock, \$2.12½ per share	4 525 198	4 525 198
→ Earnings Retained in the Business, End of Year	\$ 60 871 233	\$ 56 652 865

AUDITORS' CERTIFICATE

TO THE BOARD OF DIRECTORS, G. C. MURPHY COMPANY:

We have examined the consolidated balance sheet of G. C. Murphy Company and its wholly-owned subsidiary as of December 31, 1957, and the related consolidated statement of earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statement of earnings present fairly the consolidated financial position of the companies at December 31, 1957, and the consolidated results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Pittsburgh, Pa.,
February 5, 1958.

Lyman Ann Ann Montgomery
CERTIFIED PUBLIC ACCOUNTANTS

**SALES, EARNINGS
AND DIVIDENDS**

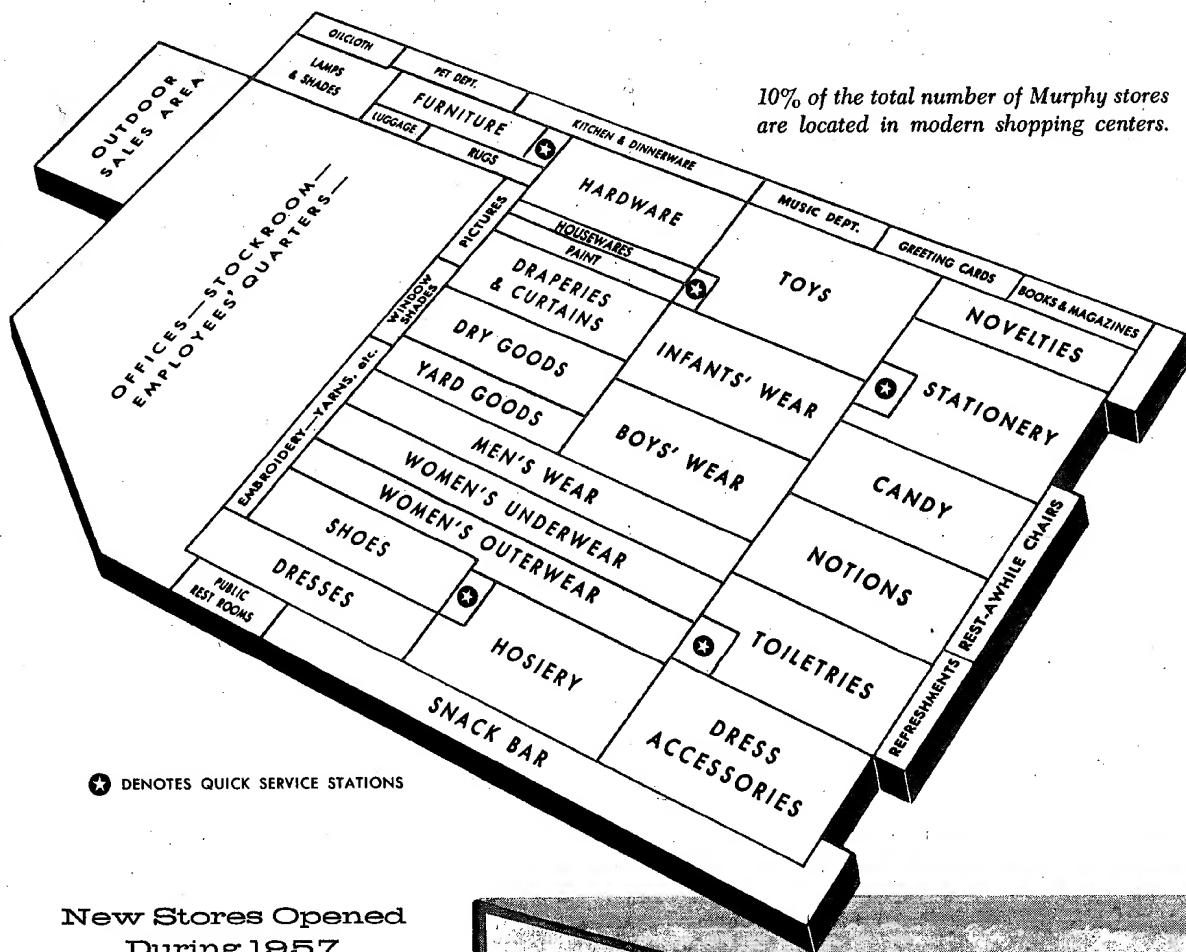
Year	Sales	Earnings		Per Share Common Stock		Shares of Common Stock Outstanding†	Number of Stores
		BEFORE Federal Taxes	AFTER Federal Taxes	Earnings	Dividends		
1948	\$137 564 415	\$15 459 831	\$9 581 331	\$4.76	\$2.25	1 922 000	210
1949	141 310 518	14 565 527	9 001 527	4.46	2.00	1 922 000	218
1950	150 507 468	17 178 126	9 416 126	4.68	2.25	1 922 000	219
1951	168 897 669	18 216 129†	7 779 129† 1 382 122	3.45† .65	2.37½	2 129 500	294
1952	184 065 449	15 329 853	7 267 853	3.21	2.00	2 129 500	295
1953	187 163 824	16 896 414	7 971 414	3.54	2.00	2 129 500	299
1954	182 172 687	15 141 407	7 418 407	3.28	2.00	2 129 500	298
1955	196 423 090	17 896 170	8 576 170	3.98	2.12½	2 129 500	303
1956	204 828 650	17 919 841	8 724 841	4.10	2.12½	2 129 500	309
1957	208 226 887	18 067 566	8 743 566	4.11	2.12½	2 129 500	316

† 207,500 shares were issued on October 30, 1951 in the acquisition of Morris 5 & 10 Cent to \$1.00 Stores, Incorporated.

† Exclusive of a refund of excess profits taxes for the years 1940 through 1945 shown separately.

Shopping Center Stores Offer Many Conveniences . . .

. . . with all lines of merchandise arranged to save time and countless steps for the shopper. The convenience, plus ample parking facilities and evening store hours, encourages family shopping.

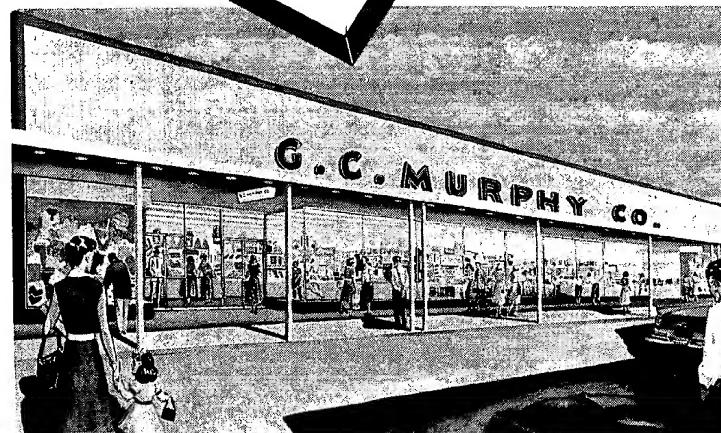


10% of the total number of Murphy stores are located in modern shopping centers.

New Stores Opened During 1957

(all in shopping centers)

- Huntsville, Ala. March 14
- Indianapolis, Ind. April 4
The Meadows Shopping Center
- Weirton, W. Va. May 2
- Indianapolis, Ind. May 16
Eastgate Shopping Center
- Pensacola, Fla. May 20
- Alexandria, Va. August 15
- Buffalo, N. Y. October 31
- Richmond, Va. November 21



**Not Self-Service
But Murphy's Modern
QUICK SERVICE!**

In our desire and aim to render the best possible service to the shopping public, we have pioneered in the installation of MURPHY QUICK SERVICE STATIONS. These stations, easily identified by overhead signs, save precious time for the shopper.



**QUICK SERVICE
STATION**



230 stores were equipped with Quick Service Stations during 1957.

QUICK SERVICE STATIONS are not a substitute for, but an addition to, personal service. For the many lines of Fashion Apparel, Fabrics and Home Furnishings, Murphy-trained Salesladies have more time to better serve our customers.



316 Stores

in 15 States and the District of Columbia

**Alabama
(1 store)**

Huntsville

**Connecticut
(5 stores)**

Ansonia
Naugatuck
New Canaan
Stamford
Torrtington

**District of Columbia
(4 stores)**

Washington (4)

**Florida
(1 store)**

Pensacola

**Illinois
(13 stores)**

Anna
Berwyn
Charleston
De Kalb
Effingham
Fairfield
Flora
Hoopeston
La Grange
Mt. Vernon
Pontiac
Streator
Vandalia

**Indiana
(40 stores)**

Alexandria
Bluffton
Brazil
Clinton
Columbus
Crawfordsville
Crown Point
Decatur
Elwood
Fort Wayne
Frankfort
Franklin
Goshen
Greencastle
Greensburg (2)
Hartford City
Huntingburg
Indianapolis (5)
Kendallville

Indiana

Linton
Madison
New Castle
Noblesville
North Manchester
Peru
Plymouth
Portland
Princeton
Rockville
Salem
Seymour
Shelbyville
Washington
Winchester

**Kentucky
(5 stores)**

Ashland
Louisville
Maysville
Paintsville
Pikeville

**Maryland
(21 stores)**

Annapolis
Baltimore (11)
Cumberland
Dundalk
Eastover
Frostburg
Hancock
Hillcrest Heights
Rockville
Silver Spring
Westminster

**Michigan
(13 stores)**

Adrian
Albion
Alma
Alpena
Charlotte
Coldwater
Hillsdale
Marshall
Mt. Pleasant
Owosso
St. Joseph
South Haven
Three Rivers

**New Jersey
(4 stores)**

Ocean City
Washington

New Jersey

Westfield
Wildwood

**New York
(9 stores)**

Buffalo (2)
Dansville
Fredonia
Jamestown
Lancaster
LeRoy
Medina
North Tonawanda

North

**Carolina
(1 store)**

Hickory

Ohio

(44 stores)

Alliance
Barnesville
Bellaire
Bellefontaine
Bowling Green
Bryan
Bucyrus
Cincinnati
Circleville
Defiance
Delphos
Fostoria
Franklin
Galion
Gallipolis (2)
Greenville
Hillsboro
Jackson
Lebanon
Logan
London
Marion
Middletown
Napoleon
Piqua
St. Marys
Salem
Sidney (2)
Tiffin
Toledo
Troy (2)
Urbana
Van Wert (2)
Wapakoneta

Ohio

Washington Court
House
Wilmington
Youngstown (3)

**Pennsylvania
(115 stores)**

Aliquippa
Ambridge
Bangor
Barnesboro
Beaver
Beaver Falls
Bedford
Bellfonte
Bellevue
Bethlehem
Blairsville
Brentwood
Brookville
Brownsville
Burgettstown
Butler
California
Castle Shannon
Charleroi
Clairton
Clarion
Clearfield
Connellsville
Corry
Derry
Donora
Dormont
Duncannon
Duquesne
East Pittsburgh
Elizabeth
Ellwood City
Erie (2)
Etna
Everett
Farrell
Ford City
Franklin
Gettysburg
Greensburg
Greenville
Grove City
Hanover
Harrisburg
Hollidaysburg
Huntingdon
Indiana
Irwin

Pennsylvania

Jeannette
Johnsonburg
Kittanning
Latrobe
Lehighton
Lemoine
Lewistown
Ligonier
McConnellsburg
McDonald
McKeesport
McKees Rocks
Mechanicsburg
Mercer
Mercersburg
Meyersdale
Midland
Monessen
Mount Joy
Mt. Lebanon
Mt. Oliver
Mount Union
Natrona Heights
Nazareth
New Bethlehem
New Castle
New Kensington
North East
Oakmont
Philadelphia (3)
Pitcairn
Pittsburgh (6)
Punxsutawney
Red Lion
Rochester
St. Marys
Scranton
Sewickley
Sharon
Shippensburg
State College
Swissvale
Tarentum
Titusville
Turtle Creek
Uniontown
Vandergrift
Verona
Warren
Washington
Waynesburg
West Newton
Wilkinsburg
Willow Grove
Wilmerding
York

**Virginia
(6 stores)**

Alexandria (2)
Arlington
Richmond (3)

**West Virginia
(34 stores)**

Beeckley
Buckhannon
Clarksburg
East Rainelle
Elkins
Fairmont
Hinton
Keyser
Logan (2)
Montgomery
Morgantown
Moundsville
Mullens
Northfork
Oak Hill
Parkersburg
Philippi
Piedmont
Point Pleasant
Princeton
Richwood
Shinnston
Sistersville
South Charleston
Spencer
Weirton (3)
Welch
Wellsburg
Weston
Wheeling
Williamson

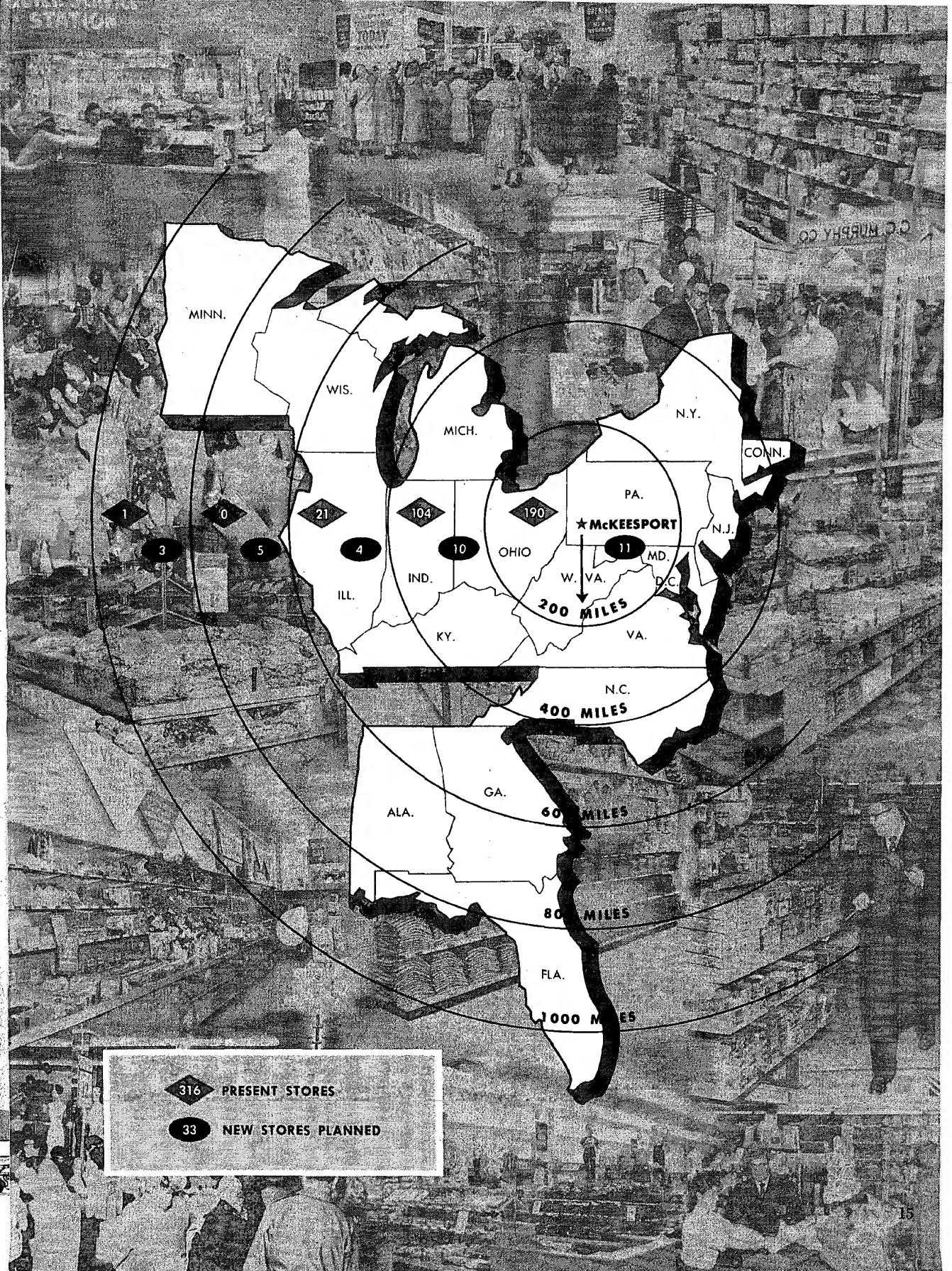
33

New Stores

Planned

Alabama	1
Florida	4
Georgia	3
Indiana	1
Maryland	7
Minnesota	2
New Jersey	1
New York	1
North Carolina	1
Ohio	3
Pennsylvania	4
Virginia	3
Wisconsin	2
Total.....	33

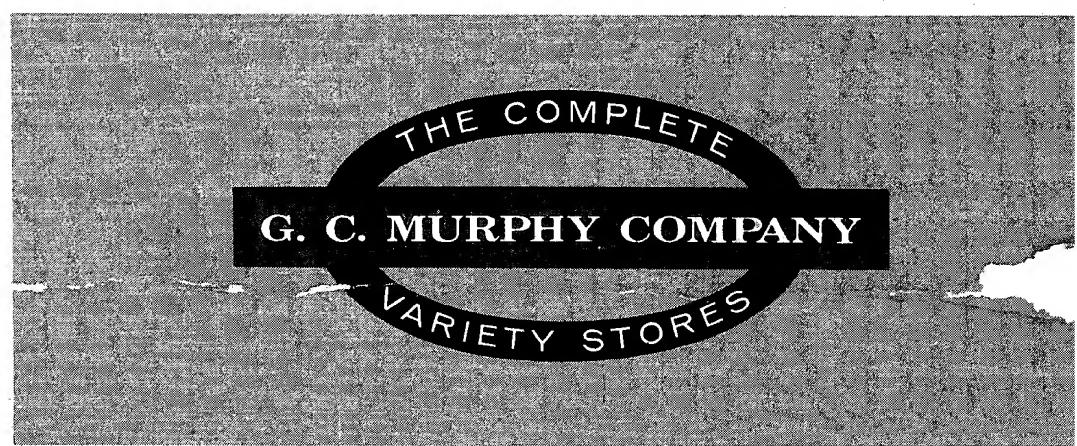




RECORD
OF

PROGRESS

Year	Number of Stores	Sales	% Gain or Loss Over Previous Year	Average Yearly Sales per Store
1906	3	\$ 196 150		\$ 65 383
1907	5	297 741	51.7	59 548
1908	6	250 867	-15.7	41 811
1909	10	230 453	-8.1	23 045
1910	10	262 514	13.9	26 251
1911	12	251 699	-4.1	20 975
1912	18	370 616	47.2	20 590
1913	23	473 030	27.6	20 567
1914	27	502 474	6.2	18 610
1915	30	602 126	19.8	20 071
1916	32	772 222	28.2	24 132
1917	38	1 032 854	33.8	27 180
1918	42	1 352 519	30.9	32 203
1919	46	1 485 420	6.1	31 205
1920	51	2 051 288	42.9	40 221
1921	60	2 281 523	8.8	37 192
1922	61	2 702 951	21.1	44 311
1923	75	3 950 876	46.2	52 678
1924	85	5 158 501	30.6	60 688
1925	88	6 493 897	25.9	73 794
1926	92	8 567 022	31.9	93 120
1927	113	10 233 508	19.5	90 562
1928	133	12 118 188	18.4	91 114
1929	153	15 726 652	29.8	102 789
1930	166	17 498 023	11.3	105 410
1931	172	19 238 362	9.9	111 851
1932	176	18 532 012	-3.7	105 296
1933	180	21 884 789	18.1	121 582
1934	186	28 001 013	27.9	150 543
1935	189	31 597 890	12.8	167 185
1936	195	37 995 419	20.2	194 848
1937	200	42 522 253	11.9	212 611
1938	201	42 190 212	-8	209 902
1939	202	47 284 970	12.1	234 084
1940	204	53 365 581	12.9	261 596
1941	207	63 514 748	19.0	306 835
1942	207	76 987 255	21.2	371 919
1943	207	82 078 319	6.6	396 514
1944	207	88 936 595	8.4	429 645
1945	209	95 905 410	7.8	458 878
1946	209	110 327 508	15.0	527 883
1947	209	119 358 580	8.2	571 094
1948	210	137 564 415	15.3	655 069
1949	218	141 310 518	2.7	648 213
1950	219	150 507 468	6.5	687 249
1951	294	168 897 669	12.2	574 482
1952	295	184 065 449	9.0	623 950
1953	299	187 163 824	1.7	625 966
1954	298	182 172 687	-2.7	611 318
1955	303	196 423 090	7.8	648 261
1956	309	204 828 650	4.3	662 876
1957	316	208 226 887	1.7	658 946



100-425828-22

Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR

DATE: January 29, 1959

FROM : A. H. BELMONT

ALL INFORMATION CONTAINED

SUBJECT: AMERICAN SECURITY COUNCIL
CHICAGO, ILLINOIS
MISCELLANEOUS INFORMATION
CONCERNING (SECURITY)

HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY SP-1000-A-1000

Mr. Belmont
Mr. Rosen
Mr. Baumgardner

Tolson	
Belmont	
DeLoach	
McGuire	
Shultz	
Patterson	
Rosen	
Tamm	
Trotter	
W.C. Sullivan	
Tele. Room	
Johman	
Gandy	

SAC Auerbach called at 3:40 PM regarding the above organization. As background, he pointed out that the American Security Council is an organization servicing industrial concerns regarding checks on employees of these concerns. The American Security Council has sponsored certain other offshoots, such as Fidelifax and the Mid-America Research Library consisting of public source subversive data. It was Auerbach's understanding that the library compiled by Messrs. Ladd and Tracy has been absorbed into this library. Auerbach said that up to recently the American Security Council had as subscribers 240 companies paying an annual fee of from \$30.00 to \$900.00 depending on the size of the company. The backer of the American Security Council is Brigadier General Robert E. Wood of Sears-Roebuck Company. Auerbach said that the Council has just recently sent out 5,000 brochures explaining their service and within two weeks received back 160 favorable replies, making a total of 400 company subscribers, many of which are nationally known companies such as U. S. Steel, Motorola, Sears-Roebuck, et cetera. These companies process their new employees through the American Security Council and according to Auerbach, Motorola has stated it has found the service so valuable it is willing to put up \$50,000 to be sure it is kept going.

Auerbach said that up until a month or so ago the actual operations of the American Security Council were headed by Robert J. Wilson, an ex-Agent who was formerly a security supervisor in the Chicago Office. Auerbach said Wilson is an excellent man and has handled himself well, but left the Council because he could not agree with the policies of John Fisher, a former Agent who works under General Wood at Sears-Roebuck and who is Sears representative to the American Security Council. Wilson came to see Auerbach today and advised that the reason he quit was that Fisher, who is now in active control of the Council, is going to try to put informants in the Communist Party. Wilson felt that this would clash with the Bureau's coverage and that the Council should rely on public source material which they can use in servicing their customers rather than going into the informant business.

66

AHB:td (5)

REB 14
Belmont 1/30/59letd NY EX-150
Joe f. Kuehne

REC-12

GOT XEW

5-10
pdt

MR. BELMONT - DIRECTOR
AMERICAN SECURITY COUNCIL

To [redacted] Wilson told Auerbach that Fisher is bringing into the American Security Council his brother-in-law, Jack E. Ison, an Agent of the New York Office who resigned two weeks ago and whose last day on duty is tomorrow, January 30th. Ison has been an Agent assigned to espionage matters in New York. Ison will assist Fisher in implementing the informant coverage in the Communist Party.

Auerbach said he was calling inasmuch as the Bureau may desire to caution Ison regarding his oath that he will not disclose information obtained as a result of his employment by the Bureau.

RECOMMENDATIONS:

(1) It is recommended that SAC Foster be filled in on the background of this and be instructed to personally interview Ison to make it very clear to him that the Bureau will hold him to his oath of nondisclosure. This is believed necessary to insure that any knowledge Ison may have of Bureau informants will not be used by him and to insure that he takes no material from the Bureau with him. This is not to suggest that Ison would do so, but as a precautionary move.

(2) We are preparing a memorandum on the American Security Council showing what we have in our files and the extent of its activities.

(3) Upon the completion of the above memorandum, a recommendation will be made as to the extent of the threat to Bureau activities posed by the American Security Council and whether it is advisable to go to General Wood to make sure that they do not get out of line.

ASAC Belmont
told to handle [initials]
today. Jor
✓
Jewell &

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. A. H. Belmont *ABW*

FROM : Mr. F. J. Baumgardner *JFB*

b7
SUBJECT: AMERICAN SECURITY COUNCIL
CHICAGO, ILLINOIS
INFORMATION CONCERNING
(INTERNAL SECURITY)

DATE: January 30, 1959

Tolson	_____
Belmont	_____
Mohr	_____
Nease	_____
Parsons	_____
Rosen	_____
Tamm	_____
Trotter	_____
W.C. Sullivan	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/97 BY SP7mc/jk

In line with the recommendation of Mr. Belmont's memorandum to the Director dated 1-29-59 in captioned matter, Bufiles reflect the following:

(attached)

Background:

American Security Council (ASC) is an organization located at 205 West Monroe Street, Chicago, Illinois, financed and operated by private industry as a national central research and information center on subversive activities. Information developed by ASC is made available for a fee to member companies, Government agencies, writers, scholars, and other qualified persons since as the organization points out, the FBI which has primary responsibility for such investigations involving subversive activities cannot by law divulge its findings to unauthorized persons. ASC officers include: president - John M. Fisher, Sears, Roebuck and Company; vice president - Kenneth W. Piper, Motorola, Incorporated; secretary-treasurer - Cyril W. Hooper, Stewart-Warner Corporation. Fisher and Piper are former Special Agents of the FBI.

A brochure issued in 1957 points out the ASC sponsored (but did not finance) the organization of Fidelifax, Incorporated, which is a nationwide personnel investigative and fact-finding organization with 32 offices in major cities throughout the country, which office in each instance is headed by a former Special Agent of the FBI. The identity of each former Special Agent heading the above office is not known. The Bureau has received from time to time comments of a derogatory nature concerning the actions of these former Agents in capitalizing on their former associations with the Bureau.

The field was fully informed concerning ASC and Fidelifax, Incorporated, by SAC Letters 57-31(L) and 56-27 which briefly set forth background data concerning each organization with the observation that neither has any connection whatsoever with the Bureau. Further, the field was instructed to answer any inquiries concerning these organizations by replying that neither has any connection with the Bureau.

100-425828

1 - 62-102996 (Fidelifax, Incorporated)

Enclosures *acut 2-3-59*

JOC:fkm

(7) 66 FEB 10 1959

100-425828-24
REG'D FEB 5 1959

INT. SEC.

pers. file

Memo for Mr. Belmont
RE: AMERICAN SECURITY COUNCIL

We have never investigated the ASC. Bufiles do reflect, however, that there have been instances where the Communist Party (CP) has inferred that ASC has access to FBI files. These contentions are, of course, groundless and there has never been any indication of "leaks" to the ASC by FBI personnel.

We have never investigated General Robert E. Wood. Files on Wood contain no derogatory information of a subversive nature and reflect he retired in 1954 as chairman of the board, Sears, Roebuck and Company. Bufiles reflect that the Director on two occasions transmitted letters to Wood declining invitations to speak. On 8-22-58 Wood directed a letter to the Bureau wherein he stated he has always admired the Director but was quite disappointed in statements set forth in the Director's book, "Masters of Deceit," regarding favorable comments concerning Jewish organizations. Memorandum Jones to Nease dated 7-28-58 recommended no acknowledgment be given Wood's letter and that further it is obvious from the tone of the letter that Wood has certain preconceived and fixed ideas concerning Jewish people and Jewish organizations. (62-60527-39014; 100-55659-6)

Observations:

As indicated by Mr. Belmont's referenced memorandum we became alarmed that the ASC through the efforts of its president, John M. Fisher, was going to try to place informants in the CP. Further, Fisher was bringing into the ASC his brother-in-law, Jack E. Ison, an Agent of the New York Office whose last day on duty is today, 1-30-59. Ison who has handled espionage matters in New York will allegedly implement the program of informant coverage by ASC within the CP.

The Director approved our action of bringing this matter to the attention of the New York Office and by airtel dated 1-30-59 ASAC B. C. Brown advised that he had a lengthy discussion with SA Ison prior to his departure reminding Ison of his Bureau oath; that he must avoid giving any impression he has any connections with the FBI in his new position; and that further Ison must refute any allegations that he or the ASC has a "pipeline" into the Bureau.

Although our relations with General Wood have been cordial, it does not appear the opportune time to approach him to discuss concern on our part that the organization founded with Wood's help may intrude upon

Memo for Mr. Belmont
RE: AMERICAN SECURITY COUNCIL

certain subversive investigative fields which are the primary responsibility of the FBI. Admittedly this would be the most direct approach to this problem; however, we have nothing but information unsupported by actual acts of infringement upon our jurisdiction. It appears this action is in its formative stages only at this time and, once we receive substantiated information indicating this program is in effect, we will consider making a protest to General Wood. We should however alert the New York and Chicago Offices to the possibility that the ASC in the future may attempt to encroach upon our existing informant coverage and that any information developed should be promptly brought to the Bureau's attention.

As former SA Ison has indicated he plans to contact SAC, Chicago, in the immediate future, Chicago should be instructed to brief Ison re our responsibilities in the internal security field; determine if possible ASC's plans for development of informants; and that the Bureau will not tolerate any intrusion in our jurisdiction particularly in the informant field.

RECOMMENDATION:

There is attached for your approval a letter to the New York and Chicago Offices in line with the above observations.

F B I

Date: 1/30/59

Transmit the following message via

AIRTEL

(Priority or Method of Mailing)

Mr. Tolson
Mr. Belmont
Mr. DeLoach
Mr. McGuire
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. W.C.Sullivan
Tele. Room
Mr. Holloman
Miss Gandy

TO : DIRECTOR, FBI

FROM : SAC, NEW YORK

SUBJECT: JACK E. ISON
SPECIAL AGENT - NYO

Re call from Inspector SIZOO 1/30/59.

SA ISON today was again firmly and forcefully reminded of his Bureau oath, of the possible consequences of violating that oath, of the ethical as well as legal aspects of his use of knowledge acquired as an Agent. He stated he would meticulously avoid giving any impression of having any connection with the FBI in his new job, and would take pains to specifically refute any allegations that he or the American Security Council has any "pipeline" into the Bureau. He volunteered that he intends to call on SAC, Chicago as soon as possible to assure him that anything in the Council's files will be available to the Bureau. He also stated he would like the Director to receive a copy of any publications prepared by the Council and will put the Bureau on the mailing list if it is not now receiving this material.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY SP7mac/lhc

FOSTER

- 3 - BUREAU
1 - CHICAGO
1 - NEW YORK

2/2-

20 MAR 9 1959

BCB:EMD

(6)

C C - Wk

Memo Belvoir from [unclear]

1-30-59
FBI

Approved: _____
Special Agent in Charge

2/1/59
Date to 2/2/59
11:59 PM

Sent: _____ Per: _____

PERS. FILES

Sjor

ERS. FILES

SAC, New York

- 1 - Mr. Rosen
1 - Mr. Belmont
1 - Mr. DeLeach
1 - Mr. Baumgardner
1 - Mr. O'Connor

February 3, 1959

REC-46

Director, FBI (100-425828)-25

PERSONAL ATTENTION

EX-135

AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING
(INTERNAL SECURITY)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/87 BY SP/maupay

Reference is made to SAC Letters 56-27 (A) concerning Fidelifax, Incorporated, and 57-31 (L) concerning the activities of the American Security Council (ASC).

Information has recently come to the Bureau's attention indicating that steps may be taken in the future to develop ASC informants in the Communist Party (CP) to augment ASC coverage of subversive activities in that field. This action represents an encroachment on the Bureau's jurisdiction in the field of existing and future security informant coverage and it is possible that attempts may be made to recruit some of the Bureau's present informants in this endeavor.

The Bureau desires to point out that the above data is unsupported by actual acts of infringement upon our jurisdiction; however, if such a program of informant development was instituted by ASC, its action would definitely endanger and hinder the effective performance of our responsibilities in this most important field. Each office should therefore alert all Special Agents handling security informants, potential security informants and sources to the ramifications of this information. Any data substantiating the fact that ASC has placed or is attempting to place or recruit informants in the CP or is attempting to "raid" our present informant coverage should be promptly brought to the Bureau's attention.

SAC, Chicago, is aware of the connection between ASC and former SA Jack E. Ison. Ison on 1-30-59, prior to his departure from the New York Office, was thoroughly briefed regarding his responsibilities to the Bureau as required by his Bureau oath. Ison stated that as far as he knew, the ASC used only public source material, disseminated facsimiles

2 - Chicago

Tolson
Belmont
Mohr
Nease
Parsons
Rosen
Tamm
Trotter
W.C. Sullivan
Tele. Room
Holloman
Gandy

NOTE: See memo Baumgardner to Belmont, dated 1-30-59 and captioned as above, JOC:fk.

52 MAR 16 1959
MAIL ROOM TELETYPE UNIT

REC'D DC/CYCH
APR 17 1959
JAC

RECORDED COPY FILED

Letter to New York
RE: AMERICAN SECURITY COUNCIL
100-425828

of magazines or newspaper articles and utilized no information which could not be publicly cited. Ison also indicated he would contact SAC, Chicago, at Ison's earliest convenience. When Ison makes this contact, he should again be briefed as to our responsibilities in the security field and efforts should be made to determine, in so far as possible, ASC's plans in the development of informant coverage. It should be made unmistakably clear to Ison that we will tolerate no intrusion in our jurisdiction, particularly in the field of informant development and use.

Previous instructions furnished concerning the ASC and Fidelifax, Incorporated, should be closely adhered to in any instance involving either organization.

Date 7-12-59

To

Director

Att. MR. TOLSON

FILE #

ALL INFORMATION CONTAINED

SAC

Title

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ASAC

DATE 7/11/88 BY SP7mac/HF

Supv.

Agent

SE

CC

Steno

Clerk

American Security Co. Inc.

ACTION DESIRED

- Acknowledge
- Assign Reassign
- Bring file
- Call me
- Correct
- Deadline
- Deadline passed
- Delinquent
- Discontinue
- Expedite
- File
- Initial & return
- Leads need attention
- Open Case
- Return with explanation or notation as to action taken.

EX-124

REC- 98

- Prepare lead cards
- Prepare tickler
- Recharge serials
- Return assignment card
- Return file
- Return serials
- Search and return
- See me
- Send Serials
- Submit new charge-out
- Submit report by
- Type —

to 100-425828-H

J. RALPH CORBETT, NUTONE NEED THE
ATTACHED. HE HAS NO INTEREST IN IT.

PERHAPS YOU ARE FULLY FAMILIAR WITH
THE LITERATURE.

ENCLOSURE

SAC M. Dawson

See reverse side

Office CINCINNATI

58 AUG 18 1969

American Security Co. Inc. Luckett III.

A.S.C. Newsletter 11/27/68 #18-10 ELL

A.S.C. page 511 Oct 1968 8/17/59

PERS. FILES

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STEWART-WARNER CORPORATION

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Mr. Belmont
Mr. DeLoach
Mr. McGuire
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Valentine
Tele. Room
Mr. Holloman
Miss Gandy

June 16, 1959

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/1/89 BY SP/ma

J. Ralph Corbett

Chairman

Nutone Incorporated
Madison and Red Bank Roads
Cincinnati 27, Ohio

Dear Mr. Corbett:

Mr. Harry Cornell of Leggett and Platt forwarded a copy of your fine letter to all Nutone employees.

I spent between 7 and 8 years as a special agent of the FBI myself, and I certainly appreciate your kind remarks concerning the "bureau". I heartily concur in your opinion of Mr. Hoover and am forwarding a copy of our November 1958 newsletter entitled "Operation Abolition".

As you can see from the newsletter we are also concerned about the smear campaign being carried on against our Federal Government.

The American Security Council is a not-for-profit business association organized in 1955 to obtain and supply facts concerning subversive activities. In the past the full facts concerning subversive activities were not known to industry at a time when effective action could have been taken. The FBI has done a remarkable job of keeping track of these activities. However, FBI files are not open to industry.

Since its organization in 1955 the ASC has spent over a quarter of a million dollars in gathering, organizing and maintaining the largest private files on subversive activities in this country. Obviously, this has become a matter of serious concern to the Communist Party since it has achieved most of its successes in this country by hiding behind apparently non-Communist fronts.

Our files include Communist Party and front group publications, all federal, state and local hearings on un-American activities, plus pertinent clippings from news-

ENCLOSURE 100-42582 8-26

for ref memo
1/17/59
1/17/59
1/17/59
EBC

papers, magazines, leaflets, bulletins and newsletters, I might add that we have in excess of a million index cards prepared from the above sources.

The American Security Council has already become by far the largest organization of its type. We have at present 313 member companies, over thirty new companies joining within the past month.

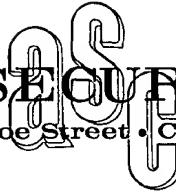
For your further information concerning the American Security Council I am enclosing our brochure, our "services" brochure, a copy of our Membership Form and a sample personal data form used for security screening.

Sincerely,

Jack E. Ison
Jack E. Ison
Operating Director

JEI:ad
Enc:4

AMERICAN SECURITY COUNCIL
205 West Monroe Street • Chicago 6, Illinois



Membership Form

We recognize the need for a national research and information center on Communist and other subversive activities and wish to support the work of the American Security Council as a subscribing member company. We agree that all reports furnished us by the American Security Council will be kept strictly confidential and will not be disseminated outside the company without the specific approval of the American Security Council.

Name of Company

Signature of Company Official

Address of Company

Title

Principal Product or Service

Number of Employees

The following official is authorized to act as liaison between this company and the American Security Council

Name of Official

Title

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DATE 7/11/88 BY SP/macl/4ec

COMPANY MEMBERSHIP DUES SCHEDULE

NUMBER OF EMPLOYEES	ANNUAL DUES	NUMBER OF EMPLOYEES	ANNUAL DUES	NUMBER OF EMPLOYEES	ANNUAL DUES
1 - 24	\$ 30.00	500 - 599	\$240.00	1500 - 1999	\$600.00
25 - 49	60.00	600 - 699	300.00	2000 - 2499	660.00
50 - 99	90.00	700 - 799	360.00	2500 - 4999	740.00
100 - 199	120.00	800 - 899	420.00	5000 - 9999	820.00
200 - 399	150.00	900 - 999	480.00	Over - 10,000	900.00
400 - 499	180.00	1000 - 1499	540.00		

The American Security Council is operated by business and industry with the assistance of many patriotic individuals. Annual dues and other forms of assistance to the Council are a business expense. Special services rendered to an individual member company are handled at cost.

ENCLOSURE

100-425828-26

PERSONAL DATA FORM

PLEASE TYPE OR PRINT—FILL IN COMPLETELY

NAME		AGE	DATE OF BIRTH		PLACE OF BIRTH		
MAIDEN NAME OR OTHER NAMES USED		MARITAL STATUS		NAME OF SPOUSE, IF MARRIED			AGE
MOTHER'S NAME		FATHER'S NAME					
SOCIAL SECURITY NUMBER	SEX	HEIGHT	WEIGHT	COLOR EYES	Glasses?	COLOR HAIR	COMPLEXION

HOME ADDRESSES FOR PAST 20 YEARS

STREET ADDRESS, CITY AND STATE (LIST PRESENT ADDRESS FIRST)		FROM (DATE)	TO (DATE)

ENTIRE EMPLOYMENT HISTORY (Include Military Service)

EMPLOYER (LIST MOST RECENT EMPLOYER FIRST)	FULL ADDRESS OF EMPLOYER	FROM (DATE)	TO (DATE)

EDUCATION

SCHOOL	ADDRESS	CITY	FROM (DATE)	TO (DATE)

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SIGNATURE

ENCLOSURE

100-425828-26

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DATE 7/11/98 BY SP7madfc

100-425828-26
ENCLOSURE

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DATE 7/11/88 BY SP1 mail/the



SERVICES AVAILABLE TO MEMBER COMPANIES

(redacted)

SERVICES FOR ASC MEMBER COMPANIES

SERVICE	PURPOSE	SERVICE CHARGE	REPORTING POLICY
PERSONNEL SECURITY SCREENING	To assist member companies in meeting responsibilities under Department of Defense and other Government agency contracts which require the contracting companies to check the loyalty of their present and prospective employees.	..... \$2.50 EACH	The American Security Council has been aggressive and imaginative in locating and acquiring information concerning the camouflaged and hidden activities of the communist-statist conspiracies. It has gathered the largest and most complete private files in the country covering 40 years of subversive activities. Most of the Council's efforts are directed toward the rapid expansion and improvement of these files.
ORGANIZATIONAL SECURITY SCREENING	To assist member companies in evaluating questionable organizations which have asked for financial and/or other types of support.	..... \$5.00 AN HOUR	The information in the Council's files is available only to member companies, Government agencies, carefully selected writers, scholars and other qualified persons.
ASC NEWSLETTER	A monthly report of pertinent behind-the-scenes activities of the Communist Party and other subversive groups for the information of member company executives.	..... No Charge	The Council adheres to the highest standards of integrity in reporting the facts. All reports
ASC COUNCIL NOTES	A monthly report to members covering pertinent American Security Council activities.	..... No Charge	<ul style="list-style-type: none"> ● are based upon reliable sources of information and/or public records ● identify all sources of information (a limited number of confidential sources of information are not fully identified) ● include photostatic copies of all pertinent documents referred to in the basic report ● report the facts without opinion ● avoid any recommendation as to what decision a member company should make
LIBRARY SERVICES	The Council's 6,000 books pertaining to Communism and other forms of statism are available for loan to member company executives.	..... No Charge	
SECURITY COUNSELLING	The Council's staff is available for consultation on security problems relating to subversive activities.	..... No Charge	

*The service charge covers the direct cost of handling the inquiry. This permits the annual dues to be used for building the Council's files. 10% of a company's annual dues is set aside as a service credit.

The Need for the AMERICAN SECURITY COUNCIL

The most effective weapon of any subversive group is the very secrecy in which its agents work. For this reason they hide their true allegiance and work through all manner of fronts with worthwhile and patriotic sounding names.

The F.B.I. has been assigned the primary responsibility for the investigation of subversive activities and has done an excellent job of this. However, the F.B.I. is required by law to maintain its files as confidential, and it cannot divulge the facts in its files except for use in a court of law, or for the confidential use of other agencies of the federal government.

Thus, the F.B.I. is not permitted to furnish industry with facts concerning subversive activities. Industry therefore organized the American Security Council to meet its need for factual information and guidance regarding such activities.

The American Security Council is a not-for-profit corporation operated as a national, centrally located research and information center on subversive activities. It gathers, correlates and indexes factual information about communist and other statist movements. *This information is of value only to the extent to which it is used.*

O

AMERICAN SECURITY COUNCIL
205 West Monroe Street, Chicago 6, Illinois

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Operating Director ROBERT J. WILSON

ASC

NEWSLETTER

No. 58-10

November 24, 1958

"OPERATION ABOLITION"

After Cyrus Eaton blasted the FBI during his May 4, 1958 appearance on Mike Wallace's program, the Emergency Civil Liberties Committee published a pamphlet entitled, "Is Criticism of the FBI 'Un-American Activity'?" which quoted Eaton's comments. It then expressed its view that the FBI should be kept "within legal bounds". The pamphlet included a reprint of one of its ads in The Nation magazine which, in effect, called for non-cooperation with the FBI.

The sixty-four page October 18, 1958 special issue of The Nation magazine was devoted exclusively to Nation contributor Fred J. Cook's report on his "investigation" of the FBI. Cook makes a show of being impartial, but actually his report is largely a rehash of previous attacks on the FBI. Most of this attack is directed at J. Edgar Hoover personally.

It was planned that the October issue of Rights, the official publication of the Emergency Civil Liberties Committee (ECLC) would be devoted to the subject "The FBI and Your Freedom". Several articles attacking the FBI were to have appeared in this issue. This issue has not yet appeared, apparently because of the pre-publication charges by Preston J. Moore, National Commander of the American Legion, that this was part of a smear campaign against the FBI and its Director, J. Edgar Hoover.

The New York headquarters of the Society of Former Special Agents of the Federal Bureau of Investigation has received reports from its members that representatives of the New York Post are contacting former employees of the FBI in an effort to obtain derogatory information concerning the FBI and its Director. James A. Wechsler, New York Post Editor, has been quoted by the Associated Press as saying, "The Post is preparing a factual study of J. Edgar Hoover. We are interviewing a wide variety of sources in many places in an effort to obtain a complete and balanced report."

On November 16, 1958, the Communist Party renewed its attack on its favorite enemy, J. Edgar Hoover, with an article in The Worker entitled, "Edgar Hoover's Four Decades of Fighting Against Peace".

~~CONFIDENTIAL~~

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY optimache

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End 2

Is all this coincidental, or is it part of a well organized campaign to discredit the FBI?

On November 8, 1957, the House Committee on Un-American Activities (HCUA) issued a staff report entitled, Operation Abolition, The Campaign Against the House Committee on Un-American Activities; the Federal Bureau of Investigation; the Government Security Program; by the Emergency Civil Liberties Committee and Its Affiliates. This report identified the ECLC as a Communist front and warned that the ECLC was launching a nation-wide campaign "to cripple or abolish the anti-subversive programs of the Congress, to shackle or abolish the Committee on Un-American Activities and to discredit J. Edgar Hoover and the Federal Bureau of Investigation." This report summarized the Emergency Civil Liberties Committees' objectives as:

1. Destruction of the House Committee on Un-American Activities;
2. Extinction of the investigative powers of Congress in the field of subversive activities;
3. Restriction of important functions of the Federal Bureau of Investigation in the investigation of subversive activities; and
4. Creation of a general climate of opinion against the exposure and punishment of subversion.

The October - November, 1957 issue of ECLC's Rights magazine featured comment concerning the HCUA's report. It listed the above summarization of the ECLC's objectives and then brazenly agreed with it, saying "Unlike other parts of the report, that is a rather fair statement except for the tone." The ECLC's own name for its program is "abolition campaign".

See ASC Newsletters No. 58-3, pages 2, 3 and 4 and No. 58-9, pages 2, 3 and 4, for further information on the ECLC and Harvey O'Connor, its National Chairman.

Carey McWilliams, Editor of The Nation, is a member of the National Council of the ECLC. Obviously, he is taking his ECLC responsibilities seriously. (The above HCUA report lists McWilliams' connection with eighteen other Communist sponsored or Communist front activities.)

James A. Wechsler, New York Post Editor and former member of the Young Communist League, was Editor of The Nation from early 1938 to May, 1940. The New York Post has probably carried more anti-FBI and anti-government security lineage than any other paper, with the possible exception of The Worker. If he was not a party to the ECLC plans, Wechsler appears to have used The Nation salvo as the signal for another outpouring of his own brand of anti-Hoover propaganda.

We may reasonably anticipate an increase in the tempo of the anti-FBI propaganda with primary attention to Mr. Hoover himself. Demands will surely be made upon the new Congress to "investigate the investigators" with an "impartial review" of the FBI's activities.

NATIONAL LAWYERS GUILD ANTI-SECURITY PROGRAM

The National Lawyers Guild met at the Bismarck Hotel, Chicago, November 7-10, 1958 for its 1958 National Convention and to celebrate the Justice Department's September, 1958 discontinuance of its efforts to keep the National Lawyers Guild on the Attorney General's list of subversive organizations.

Item "A" in the program adopted by the Guild for primary attention in 1959 was the area of "Constitutional Rights". The resolutions adopted by the convention in this area included:

1. Congressional Investigations

" *** The Un-American Activities Committee and the Internal Security Subcommittee should be abolished."

2. Security-Loyalty Proceedings

" *** We re-affirm our previously stated position that loyalty proceedings and oaths be abolished since they inevitably violate the First Amendment."

3. Security-Loyalty in the Military

"First Amendment rights of political belief, association and expression of opinion for civilians are being invaded by the Military...."

4. Attorney General's List

" *** The list is a blacklisting device in its baldest form.... the only solution to this list is its extinction."

5. Smith Act

"....the Smith Act is inherently un-constitutional....we call upon Congress to repeal the Smith Act. We urge the Department of Justice to cease all prosecutions under the Smith Act and restore to this country the fundamental right to political dissent, free from the harassments of criminal prosecution."

From the above, it would appear that the September 17, 1950 House Committee on Un-American Activities citation of the National Lawyers Guild as "the foremost legal bulwark of the Communist Party, its front organizations and controlled unions" and which "since its inception has never failed to rally to the legal defense of the Communist Party and individual members thereof, including known espionage agents" is still accurate.

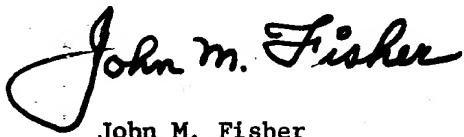
If the above program sounds somewhat like that of the Emergency Civil Liberties Committee, the following list showing the overlap between the national officials of the two organizations should provide some clue to the reason.

NAME	NATIONAL LAWYERS GUILD	EMERGENCY CIVIL LIBERTIES COMMITTEE
------	---------------------------	--

Royal W. France	Executive Secretary	Executive Committee
Earl B. Dickerson	Executive Committee Vice President	National Council
Thomas I. Emerson	Executive Committee Vice President	National Council
Robert Kenny	Executive Committee	National Council
Richard Ritman	Executive Board	National Council
Benjamin Dreyfus	Executive Board	National Council
Laurent B. Frantz	Executive Board	National Council
Fowler Harper	Executive Board	National Council
Morton Stavis	Executive Board	National Council
Joseph H. Crown	Executive Board	Executive Committee
Victor Rabinowitz	Executive Board	National Council

Also there is an overlap in membership and other informal ties between the organizations. For example, Louis Redding, a member of the Executive Committee of the ECLC, was seated in a place of honor at the speakers table during the National Lawyers Guild Banquet on November 9, 1958.

Sincerely,



John M. Fisher

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Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. H. BELMONT *Wm.*

DATE: November 2, 1959

FROM : MR. F. J. BAUMGARDNER

SUBJECT: AMERICAN SECURITY COUNCIL
INFORMATION CONCERNING
(INTERNAL SECURITY)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 5/13/82 BY SP8BJ/mw

Tolson _____
Belmont _____
DeLoach _____
McGuire _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Holloman _____
Gandy _____

On 10-28-59 Donald O'Toole, president, Pullman Trust and Savings Bank, Chicago, Illinois, addressed letter to Director stating he has been leader in movement to organize large section of Southwest side of Chicago into "Community Congress," purpose of which is to correct slum and other deteriorating conditions creeping into community; during period of organization group encountered severe resistance from individuals who attacked group on racial basis, anti-Catholic basis, and, generally, against all ministers of religion; attacking individuals constantly exhibited and talked about "FBI reports" which they had on individuals employed by O'Toole's group to put his organization together; and these individuals were Saul Alinsky, Edward Chambers and Joseph Vilimas, all associated with Industrial Areas Foundation (IAF). O'Toole's letter is no clear whether three named individuals are ones hired by O'Toole's group or ones constantly talking about and exhibiting "FBI reports."

O'Toole further stated "FBI reports" are purchased through American Security Council (ASC), 205 West Monroe Street, Chicago, and ASC is made up of former FBI men. O'Toole stated he would like an expression from Director as to: (1) validity, if any, of reports in possession of ASC; (2) ASC's right to label reports "FBI reports"; (3) ASC's right "to advertise themselves as former FBI men."

Bufiles negative regarding data identifiable with O'Toole and Chambers. Regarding Alinsky and IAF, Bufile 100-3731 discloses Alinsky in 1944 was executive director, IAF. Purpose of IAF is to survey and analyze character and problems of industrial areas in organizing their community life. In 1944 we conducted investigation of Alinsky who was being considered as prospective lecturer on juvenile delinquency for FBI National Academy. Investigation did not disclose any derogatory data concerning him; however, the records of Chicago P. D. indicated his wife, Helene Alinsky, in 1939, was member of Jackson Park Branch, American

Enclosure *Sent 11-3-59*
100-425828

1 - 100-3731 (Saul Alinsky)
1 - Mr. DeLoach
1 - Mr. Rosen
1 - Mr. Belmont
1 - Mr. Baumgardner
1 - Mr. Simpson
1 - Mr. O'Connor

JOC:JHK:fkm:fik
(8) D2 NOV 9 1959

REC-62

100-425828-27

10 NOV 4 1959

~~INVESTIGATED~~

JNRECORDED

OPEN EI ED (N/100 = 30th) = 1

Memo Baumgardner to Belmont
RE: AMERICAN SECURITY COUNCIL
100-425828

League for Peace and Democracy, which has been cited by Attorney General pursuant to Executive Order 10450. Alinsky was not recommended to speak before National Academy.

Regarding Vilimas, Bufile 40-55777-1, discloses a Joseph Vilimas, 6753 South Rockwell, Chicago, was listed as sponsor on "application for visa into U. S." for Kazys Vilimas, brother. Affidavit executed by this Joseph Vilimas, dated 8-31-43, stated he was real estate broker and building contractor and listed 6753 South Rockwell Avenue, Chicago, as both his business and residence address. He stated he was naturalized 1-22-25 in U. S. District Court, Northern District of Illinois, Chicago. Bufile 100-346566-246, page 17, listed one Joseph Vilimas, 6753 South Rockwell Avenue, Chicago, as delegate from DePaul University to United States National Student Association (USNSA) congress in 1949. Bufile 100-346566-305, page 4, discloses Chicago indices negative regarding Vilimas. Bureau conducted investigation in 1949 and 1950 of alleged communist infiltration of USNSA; however, investigation disclosed USNSA was not a communist organization or under communist domination.

Concerning ASC, Bufile 100-425828 discloses ASC is financed and operated by private industry as national central research and information center on subversive activities for its members. Former FBI Special Agents John M. Fisher, Sears, Roebuck and Company; and Kenneth M. Piper, Motorola, Incorporated, in early 1959 were president and vice president, respectively, of ASC. ASC sponsors Fidelifax, Incorporated, a nationwide personnel investigative organization, with offices in 32 cities throughout U. S. and each office headed by a former Agent. Field was alerted to background of ASC and Fidelifax by SAC Letters 56-27 and 57-31 (L). In view of association of former FBI Agents with these groups and inquiries received which were similar in nature to O'Toole's inquiry. Field was furnished with background of these groups, the fact that several former Special Agents were associated with them and in the event inquiries were received such inquiries should be answered by stating that these groups were in no way connected with or sanctioned by the FBI.

RECOMMENDATION:

In view of contents of O'Toole's letter and fact his letter is not clear regarding Alinsky, Chambers and Vilimas, we should direct a letter to SAC, Chicago, instructing him, or in his absence the ASAC, to personally contact O'Toole immediately to:

Memo Baumgardner to Belmont
Re: AMERICAN SECURITY COUNCIL
100-425828

1) Personally acknowledge receipt of O'Toole's letter and inform him ASC has no right to FBI reports and possession of actual reports would be violation of Federal statutes; likewise, ASC has no right to refer or label their documents as FBI reports, which would also be in violation of Federal statutes; and that any former Agents who may now be associated with ASC no longer have any official connection whatever with this Bureau.

2) Thereafter, SAC will explore this matter further and clarify with O'Toole the status of the three individuals named by him, i.e., whether they were retained by O'Toole's group or were allegedly exhibiting "FBI reports" so that we will be in possession of all the facts. If inquiry discloses ASC actually is in possession of FBI reports or is labeling their documents as such, complete facts should be obtained and forwarded to Bureau for consideration as to presentation to Department for prosecutive opinion. If it is determined that ASC representatives are not violating the law but creating the impression they have FBI reports or access to FBI information, those responsible will be severely admonished and emphatically and unmistakably informed to refrain from such practices in the future.

It is recommended the attached letter to SAC, Chicago, in line with the above, be approved and transmitted.

PULLMAN TRUST & SAVINGS BANK
400 EAST 111TH STREET PULLMAN 5-1000
CHICAGO 28, ILLINOIS

October 28, 1959

Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation
Washington, D.C.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/13/89 BY SP8BTJ/1

Re: American Security Council
205 W. Monroe (?)
Chicago, Illinois

Dear Sir:

7/11/88

I have been a leader in a movement to organize a large section of the Southwest side of Chicago into a "Community Congress", whose purpose is to take measures to correct slum and other deteriorating conditions creeping into the community and causing present residents to move to the suburbs. The organization of this group of neighborhoods constituted a rather strenuous effort over a period of six weeks, and culminated in a most successful congress last Saturday at which 101 institutions of these neighborhoods united under a constitution and a determination to make their community the best section in Chicago.

During the entire period of organization we encountered severe resistance from a few individuals who attacked us first on a racial basis, then on an anti-Catholic basis, and finally on a general all out attack against practically all ministers of religion. These individuals constantly exhibited and talked about "F.B.I. Reports" which they had on individuals employed as professionals to assist us in putting this neighborhood organization together. These individuals were Saul Alinsky, Edward Chambers, and Joseph Vilimas, all of whom had been associated with Industrial Areas Foundation.

I have been advised that files on these individuals, known as "F.B.I. Reports" are purchased through the American Security Council. I find the telephone directory lists such a council at 205 W. Monroe Street, Chicago, Illinois. In talking to one of its "customers", an individual who is a sort of rabid supporter of all types of "ultra conservative"

Memo Baumgardner to Belmont

11-6-59
J.C. 4.2 K.F. 2

Mr. Tolson
Mr. Belmont
Mr. DeLoach
Mr. McGinnis
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. W.C.Sullivan
Tele. Room
Mr. Holloman
Miss Gandy

30CT30-1959

movements, I find that the American Security Council is made up of some former F.B.I. men."

I would like to have an expression from you as to the validity, if any, of any reports in the possession of American Security Council, and also their right to label their reports as F.B.I. reports, or to advertise themselves as "former F.B.I. men."

These people very nearly succeeded in wrecking a movement, of the most wholesome kind, in which people of different faiths and racial origins united in saving their neighborhood. I led the movement. I am the president of three banks on the south side of Chicago, one of which I personally founded and raised to its present total resources of \$35 million dollars. I am a native born American, was an officer in the Navy during World War II, and am a member of a family which sent seven sons and daughters into the Armed Forces in World War II. I hardly think that I could be classified as either a Communist, or a Communist-dupe.

Yours very truly,



Donald O'Toole
President

DO'T:ar

1-Mr. DeLoach
1-Mr. [redacted]
1-Mr. [redacted]
1-Mr. [redacted]
1-Mr. Simpson
1-Mr. O'Connor

SAC, Chicago (66-4503)

November 3, 1959

REC-21

Director, FBI (100-425828) - 28

PERSONAL ATTENTION

EX 104

AMERICAN SECURITY COUNCIL (ASC)
INFORMATION CONCERNING
(INTERNAL SECURITY)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/13/80 BY SP8BJJ/lmw

There are enclosed two Photostats of a letter dated 10-28-59 addressed to the Director by Donald O'Toole, president, Fullman Trust and Savings Bank, 400 East 111th Street, Chicago, Illinois, which letter is self-explanatory.

You, or in your absence the ASAC, should personally contact Mr. O'Toole immediately. In this contact you should:

1) Personally acknowledge receipt of O'Toole's letter and inform him the American Security Council (ASC) has no right to FBI reports and possession of actual reports would be violation of Federal statutes; likewise, ASC has no right to refer to or label their documents as FBI reports, which would also be in violation of Federal statutes; and that any former Agents who may now be associated with ASC no longer have any official connection whatever with this Bureau.

2) Thereafter, you should explore this matter fully and clarify with O'Toole the status of the three individuals named by him, i.e., whether they were retained by O'Toole's group or were allegedly exhibiting "FBI reports" in order that the Bureau will be in possession of all the facts in this matter. In the event your inquiry discloses ASC actually is in possession of FBI reports or is labeling their documents as such, notify the Bureau immediately in order that a determination can be made concerning the presentation of such facts to the Department for a prosecutive opinion. In the event it is determined ASC representatives are not violating the law but creating the impression that they have FBI reports or access to FBI information, their

MAILED 31
NOV 3 1959
COMM-FBI

L.B. ✓
Enclosures (2)

100-3731 (Saul Alinsky)
53 NOV 12 1959

SEE NOTE ON YELLOW, PAGE 2

JOC:JHK:fk:pw
(10)

MAIL ROOM TELETYPE UNIT

UNRECORDED COPY FILED IN 100-3731-1

Letter to Chicago
Re: American Security Council
Information Concerning
100-425828

identities should be determined and they should be contacted, severely admonished, and emphatically and unmistakably told to refrain from such practices in the future.

The above matter should be handled promptly, the Bureau immediately advised of the results of the contact with O'Toole and, depending upon such results, your recommendation regarding any further action to be taken.

For your information, Bufiles are negative regarding references identifiable with O'Toole and Chambers. Data regarding Alinsky and Industrial Areas Foundation is set forth in urfiles 67-8064 and 100-522. Data regarding ASC is set forth in urfile 66-4503.

Vilimas may be identical with a Joseph Vilimas who in 1943 was a real estate broker and building contractor and had the common business and residence address of 6753 South Rockwell Avenue, Chicago, Illinois. This Joseph Vilimas was naturalized 1-22-25 in U. S. District Court, Northern District of Illinois, Chicago. A Joseph Vilimas, 6753 South Rockwell, Chicago, Illinois, was listed as a delegate from DePaul University to the congress of United States National Student Association in 1949, according to page 17 of the report of SA Raymond L. Faisst, dated 8-17-50 at Springfield, captioned "United States National Student Association, Internal Security - C," your file 100-18305. Page 4 of the report of SA Louis A. Langille, dated 10-30-50 at Chicago, captioned "United States National Student Association, Internal Security - C" stated the files of the Chicago Office did not contain any derogatory information concerning this Joseph Vilimas.

NOTE ON YELLOW:

See memo Baumgardner to Belmont, 11-2-59,
captioned as above, JOC:JHK:fbm:fk.

DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

WFO:JHK:fbm

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (100-425828)

DATE: 11-9-59

FROM : SAC, CHICAGO (80-435)

SUBJECT: AMERICAN SECURITY COUNCIL (ASC) INFORMATION CONCERNING (INTERNAL SECURITY)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 7/1/19 BY SP7macfhi

REC-52

ReBulet and enclosure dated November 3, 1959, concerning letter re captioned matter written Director on October 28, 1959, by DONALD O'TOOLE, president, Pullman Trust and Savings Bank, Chicago, Illinois.

Chicago indices reflect that O'TOOLE, on April 15, 1943, directed a letter to Mrs. FRANKLIN D. ROOSEVELT, White House, Washington, D.C., concerning "Princeton Park Negro Housing Project, Chicago, Illinois." This matter was furnished to the Bureau for information by Chicago letter dated April 27, 1943, entitled "Princeton Park Project, 95th Street and Princeton Avenue, Chicago, Illinois." The letter related to activities of certain individuals relative to the Princeton Park Negro housing projects and the alleged effect that such activities were having with the war effort. O'TOOLE was interested in the housing projects from a construction and financial viewpoint.

Chicago files further reflect that O'TOOLE, by letter dated December 27, 1941, showing him in the real estate business, advised the Chicago Office that one of several houses in his neighborhood had collapsed and that a subterranean passage had been built from the basement of the house to the garage and that large vats and a storeroom beneath the basement floor had been discovered.

It appears from these communications that for a number of years O'TOOLE has been active in the Southwest side of Chicago in connection with real estate, construction, housing and related projects.

Concerning American Security Council (ASC), 205 West Monroe Street, Chicago, Chicago file reflects

REC-52

100-425828-29

NOV 12 1959

(2) Bureau (Registered)

1 - Chicago

JML:HFM

(3)

EX 109

62 NOV 19 1959

NOV 24 1959

PERS. FILES

CG 80-435

that JACK E. ISON is presently Operating Director. ISON is a former Special Agent as was his predecessor, ROBERT J. WILSON. WILSON left ASC in early 1959 because of differences between him and JOHN W. FISHER, a member of the Executive Committee of ASC and also an official of Sears Roebuck and Company. Differences were over policy question whether or not ASC should confine efforts to making public source material available to its clients or whether it should branch out and develop active informants in CP and other organizations. To date, there has been no indication that the present director, JACK ISON, has developed or attempted to develop active Communist informants since taking over his present position. Likewise, there has been no indication in the Chicago Office that ASC is in possession of any FBI reports as such, or any indication that ASC has alleged or insinuated that its data is taken from or based upon FBI reports.

S 4
25
34

On November 5, 1959, I contacted Mr. O'TOOLE by telephone and made an appointment at his convenience on the following day.

On November 6, 1959, accompanied by SA CARL N. FREYMAN, I visited Mr. O'TOOLE at the Pullman Trust and Savings Bank. I personally acknowledged the Director's receipt of Mr. O'TOOLE's letter. I pointed out that my prime interest was in possible allegations indicating that ASC or any other persons or organizations might have alleged to have been in possession of FBI reports. I informed him clearly that ASC had no right to FBI reports and possession of such would be violation of Federal statutes; that likewise, ASC had no right to refer to or label documents as FBI reports which would also be in violation of Federal statutes; and finally, that any former Agents who may now be associated with ASC no longer had any official contact whatever with this Bureau.

Mr. O'TOOLE went into a lengthy background discussion of matters leading to his letter to the Director. He and other civic leaders, together with representatives of the clergy, etc., have taken a leading part the past several months in making definite plans to

CG 80-4353

prevent slum areas arising in communities wherein Negroes have penetrated into previous all white neighborhoods. Position of his group has been that such penetration is inevitable and that rather than abandon the neighborhood and move elsewhere, white residents and businessmen should make the best of the situation and by educational programs, adapt gracefully to mixed neighborhoods.

O'TOOLE pointed out that in connection with this program, his group, which is now known as a "Community Congress", had employed three professionals to assist the group in surveys, organizational set-ups, etc. in accomplishing the announced objectives. The professionals hired were SAUL ALINSKY, EDWARD CHAMBERS and JOSEPH VILIMAS, all of whom had been associated previously with Industrial Areas Foundation. O'TOOLE stated that activities of his own group, together with the activities of the professional advisors, immediately aroused heated animosity on parts of other groups who were steadfastly opposed to any mixed residential neighborhoods. He said that this animosity has continued up to the present time. As part of the alleged animosity, O'TOOLE stated that the professionals ALINSKY, CHAMBERS and VILIMAS, were frequently described as "Communists." He emphasized that ALINSKY, CHAMBERS and VILIMAS were the victims of attacks from opposition groups and that in several instances, various members of the opposition groups claimed that "FBI reports" had characterized ALINSKY, CHAMBERS and VILIMAS as being Communists.

After extensive questioning, it was determined that O'TOOLE had only one specific instance identifying an individual as having stated that FBI reports had indicated ALINSKY, et al, were subversive type individuals. O'TOOLE identified this person as Mrs. JAYNE CRAWFORD of Chicago, who is active in the Brainard Civic Association, one of the groups which is actively opposing O'TOOLE's group and its objectives. O'TOOLE claimed that Mrs. CRAWFORD is actually fronting for one HARRY EVERINGHAM, who is also actively opposing O'TOOLE's group. O'TOOLE

CG 80-435

could only state that on one occasion, date unrecalled, Mrs. CRAWFORD, in a telephone conversation with him criticizing his Association, remarked along general lines that she had seen "FBI reports on ALINSKY." O'TOOLE could furnish no further details.

Concerning ASC, O'TOOLE stated that he knew of this organization but could not specifically state that anyone had stated that ASC was in possession of FBI reports or had intimated that it had such FBI reports. He volunteered that he had mentioned ASC to a businessman, JAMES TUTHILL of Tuthill Pump Company, and TUTHILL had replied that he knew of the organization and that his own company had used its services for name checks, etc. on the company personnel. However, TUTHILL made no statements concerning ASC having FBI reports. Likewise, JOHN BATTY, President, United Specialties Company, mentioned ASC to O'TOOLE, but only mentioned that it was comprised primarily of former FBI Agents. BATTY made no statements concerning ASC having FBI reports.

O'TOOLE admitted, in conclusion, that his letter to the Director was very broad and that actually, other than the telephone conversation with Mrs. JAYNE CRAWFORD, he had no specific allegation that ASC or any other persons were in possession of FBI reports.

I again assured Mr. O'TOOLE that FBI reports were confidential and that no such persons or agencies had any such reports. He expressed his appreciation and stated he understood the matter perfectly.

Concerning Mrs. JAYNE CRAWFORD, Chicago files reflect that she has continued active arguments and debates among neighborhood groups concerning improvements, slum areas, etc. She is at the present time actively opposing and fighting ALINSKY. A newspaper clipping dated August 16, 1959, from a neighborhood publication "South Town Economist" highly publicizes Mrs. CRAWFORD's arguments with ALINSKY. The article entitled "Alinsky Answers the 18 Charges Read Against Him" refers to a meeting of the Brainard Civic Association

CG 80-4950

at which Mrs. CRAWFORD charged ALINSKY with left-wing tendencies. She allegedly read an 18-point mimeographed "Activity Report" which had been distributed throughout the area. The newspaper article also lists ALINSKY's answers to the 18 charges. Nowhere in these publications is any intimation that Mrs. CRAWFORD's information is based upon FBI reports or sources. The arguments between these groups are apparently continuing at the present time.

Accordingly, I recommend that no further action be taken in this matter. The only semi-specific furnished by O'TOOLE alleges that Mrs. CRAWFORD telephonically stated that she had seen an FBI report on ALINSKY. I do not deem it advisable to contact Mrs. CRAWFORD concerning this matter. Such contact would undoubtedly be publicized by her and used to her advantage. She might well claim that such visit was in form of intimidation and that the FBI was being used as a tool by the opposition and was taking sides in the issues between the various civic groups. I feel it quite likely that the Bureau would be drawn in to such a neighborhood squabble between these civic groups and that no good purpose could be served at this time by doing so. Accordingly, UACB, no further action contemplated at this time.

LOUIS MARX & CO., INC.

MANUFACTURERS OF
MECHANICAL TOYS • STEEL & PLASTIC TOYS • TRAINS



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TORONTO, CANADA
SAO PAULO, BRAZIL
PARIS, FRANCE
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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP7mac/fhc

April 20, 1960

Mr. J. Edgar Hoover
c/o Federal Bureau of Investigation
Washington, D. C.

Dear Edgar,

Replies

Mr. Tolson
Mr. Mohr
Mr. Parsons
Mr. Belmont
Mr. Callahan
Mr. DeLoach
Mr. Malone
Mr. McGuire
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. W.C. Sullivan
Tele. Room
Mr. Ingram
Miss Gandy

I do not know whether this letter is proper or whether you are in a position to answer this question for me, but I thought I would drop you this note and if it is under your jurisdiction, and you can give me any advice, I shall appreciate it.

There is an organization called The American Security Council of Chicago, Illinois, and I received a letter from General Wood asking our firm to join this organization. As we are very reluctant about joining any organization unless we know something about it, would it be proper for me to ask you whether this organization is one that our firm should join and contribute to? If this question is in order, please let me have a reply at your early convenience.

REC-54 100-425828-30

With kindest regards, I am

JX 104 23 APR 26 1960

Sincerely,

David

DavidHMarx/br

mail (spec. corres. list)

act 4-22-60

JK:mr

2-9ACNY
2 autorates

Marx chd on list
sp. corres. list
4-22-60
May

JK

WORLD'S LARGEST MANUFACTURERS OF TOYS

April 22, 1960

REC-54 100-425828-30

Mr. David H. Marx
Louis Marx and Company, Inc.
200 Fifth Avenue
New York 10, New York

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP/macl/bi

Dear Dave:

I received your letter of April 20, 1960,
containing your inquiry regarding The American Security
Council of Chicago, Illinois.

I have instructed our New York Office to
have one of our representatives personally contact you
concerning this matter in the near future.

With kindest personal regards,

Sincerely,

Edgar

MAILED 19
APR 22 1960
COMM-FBI

DAVID

2 - SAC, New York - Enclosures (2)

Attention SAC: You should have a mature, experienced Special Agent personally contact Marx, and on a confidential basis advise him of the American Security Council (ASC) as along the lines set forth in SAC letter 57-31 dated May 21, 1957. It should be particularly emphasized ASC does not have access to FBI files or information. *Copies of the SAC letter attached.*

NOTE: Bufiles contain no significant derogatory data regarding ASC although we have received numerous inquiries regarding it from citizens and business leaders. At one time ASC proposed to develop its own informants to report subversive activities in competition with the Bureau, but there is no indication that this plan was even carried out and the SAC Chicago advised in November, 1959, that there is no indication that ASC has alleged that data it makes available to member companies is taken from or based upon FBI reports. (100-425828)

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Belmont _____
Callahan _____
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Malone _____
McGuire _____
Rosen _____
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Trotter _____
W.C. Sullivan _____
Tele. Room _____
Ingram _____
Gandy _____

JK:lln

(5) Jlm F-6P

NOTE CONTINUED ON NEXT PAGE

67 APR 23 1960

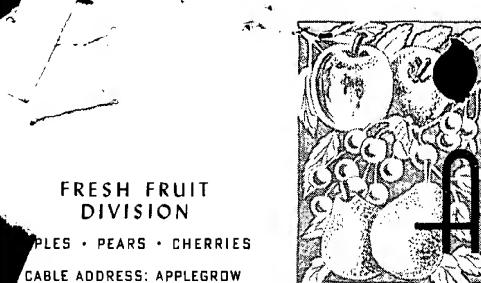
MAILED COMM TELETYPE UNIT

Mr. David H. Marx

NOTE:

We have had limited but cordial relations with David H. Marx who stated in one of his incoming letters that he had met the Director on a number of occasions (94-35828).

~~Copies of the SAC letter attached.~~



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CANNED FRUIT
DIVISION
PEARS • APPLES • CHERRIES
APPLE JUICE • CIDER
VINEGAR.

HOOD RIVER, OREGON

April 14, 1960

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP1mac/lc

Federal Bureau of Investigation
Washington, D. C.

Gentlemen:

We have a letter from an organization named the

AMERICAN SECURITY COUNCIL
205 West Monroe Street
Chicago 6, Illinois

purporting to be an anti-Communist organization and
soliciting funds to conduct anti-Communist activities.

Can you tell us whether this is a bona fide anti-Communist
organization.

Yours very truly,

APPLE GROWERS ASSOCIATION

J. E. Klahre
General Manager

JEK:cd

REC-20

100-425828-31
11 APR 26 1960

EX 104

REK 4-21-60
1 - Portland (enc)
1 - Cheyenne (enc)
RDS: kba

1 - Mr. Simpson

REC-20

100-42582-8-31

April 21, 1960

EX 104

Mr. J. E. Klahre
General Manager
Apple Growers Association
Hood River, Oregon

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1/11/88 BY [Signature]

Dear Mr. Klahre:

Your letter dated April 14, 1960, has been received, and the interest which prompted your communication is indeed appreciated.

In response to your inquiry, I must advise that the jurisdiction and responsibilities of the FBI do not extend to furnishing evaluations or comments concerning the character or integrity of any individual, publication or organization. I can advise, however, that the American Security Council, Chicago, Illinois, has not been the subject of an investigation by this Bureau but this should not be construed as a clearance or non-clearance by the FBI.

Sincerely yours,

John Edgar Hoover
Director

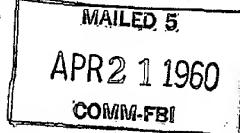
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Ingram _____
Gandy _____

1 - Portland
1 - Chicago

SEE NOTE TO SACs PORTLAND AND CHICAGO, PAGE TWO

SEE NOTE ON YELLOW, PAGE TWO

62 APR 29 1960 MAIL TELETYPE UNIT 100-64-80



A. H. [Signature]

Mr. J. E. Klahre

ATTENTION: SACs PORTLAND AND CHICAGO

Correspondent advised his organization has received a letter from the American Security Council, 205 West Monroe Street, Chicago 6, Illinois, purporting to be an anticommunist organization and soliciting funds to conduct anticommunist activities. He inquired whether the FBI could advise him if this is a bona fide anticommunist organization.

Bufiles contain no identifiable information concerning the correspondent or the Apple Growers Association, Hood River, Oregon.

The American Security Council is financed and operated by private industries as a national research and information center on subversive activities for its members. Its president and vice president are former Special Agents of the Bureau. The organization sponsors Fidelifax, Inc., a nationwide personnel investigative organization with offices in 32 cities throughout the country and each office is headed by a former Bureau Agent.
(100-425828)

NOTE ON YELLOW:

Bufiles do not reveal any derogatory information concerning American Security Council. Former Assistant to the Director D. M. Ladd was on the planning committee of American Security Council as of January, 1959.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: 4/26/60

FROM : SAC, NEW YORK

SUBJECT: MR. DAVID H. MARX
INFORMATION CONCERNING

Re letter from Director to Mr. DAVID H. MARX, LOUIS 11
MARX & COMPANY, INC., 200 Fifth Avenue, New York 10, New York,
dated April 22, 1960. This letter acknowledged receipt of Mr.
MARX' letter of April 20, 1960, in which Mr. MARX made inquiry
regarding the AMERICAN SECURITY COUNCIL of Chicago, Illinois.
The New York Office was instructed to contact Mr. MARX and to
advise him on a confidential basis of the AMERICAN SECURITY
COUNCIL as along the lines set forth in SAC Letter 57-31, dated
May 21, 1957.

On April 26, 1960, SAS [] and [] b6
[] visited Mr. MARX at his office, 200 Fifth Avenue. Mr. MARX
was advised on a confidential basis of the AMERICAN SECURITY
COUNCIL along the lines set forth in SAC Letter 57-31. It was
also pointed out to Mr. MARX that the ASC does not have access
to FBI files or information. Mr. MARX said that he realized
this. Mr. MARX raised the question of the advisability of his
firm having anything to do with the ASC and he was apprised that
this was a decision that he himself would have to make. Mr.
MARX said that he was very appreciative of the assistance given
him in this matter by the Bureau. Mr. MARX wished the agents to
convey his best wishes to the Director.

b7C

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP/ma/cb/6

2 - BUREAU (RM)
1 - NEW YORK

EX-137

MPL:DJG 4/26/60
(3) 500 b/w, 20

59 MAY 5 1960 L B I 16
REC'D 5/2/60

29
2 APR 27 1960
N. Ark
Circ. Branch

August 3, 1960

REC-24

100-425828-33

PERS. FILE

PERS. FILE

Mr. John M. Fisher
Chairman of the Board and
Executive Committee
American Security Council
205 West Monroe Street
Chicago 6, Illinois

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP7mac/SEC

R-1
D-READING ROOM

3 2 09 PM '60

B

Dear Mr. Fisher:

Your letter of July 20, 1960, was received as Mr. Hoover was leaving the city, and he asked me to acknowledge it for him. He told me to inform you that arrangements will be made to furnish you approximately 925 copies of articles and reprints concerning activities of the FBI in the future.

Although he cannot grant you permission to reprint any of these items, it will be a pleasure to send them in the mentioned quantities. Please feel free to advise us if additional numbers are needed.

Sincerely yours,

Helen W. Gandy
Secretary

RECEIVED 8-5-60

MAILED 27
AUG 8 1960
COMM-FBI
Reb
25 MM 88
NOTE: See Morrel to DeLoach memo dated 8-1-60, captioned "John M. Fisher, American Security Council, Chicago, Illinois." AFH:td
John M. Fisher being added to Special Correspondents' List, in accordance with recommendations in memorandum.

Tolson _____
Mohr _____
Parsons _____
Belmont _____
Callahan _____
DeLoach _____
Malone _____
McGuire _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Ingram _____
Gandy _____

AUG 20 1960

AFH:td/gcb

SENT DIRECTOR
FOR APPROVAL
8-3-60

MAIL ROOM

TELETYPE UNIT

Hollings

WS 10/23/60

ATW

AMERICAN SECURITY COUNCIL

205 West Monroe Street • Chicago 6, Illinois

Mr. Tolson
Mr. Mohr
Mr. Parsons
Mr. Belmont
Mr. Callahan
Mr. DeLoach
Mr. Malone
Mr. McGuire
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. W.C.Sullivan
Tele. Room
Mr. Ingram
Miss Gandy

July 20, 1960

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY SP1/MAC/HC

Senior Advisory Board

BENNETT ARCHAMBAULT
Chairman of the Board
STEWART-WARNER CORPORATION

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President
UNITED SPECIALTIES COMPANY

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President
BELDEN MANUFACTURING CO.

ROBERT DONNER
Chairman
THE DONNER FOUNDATION

WADE FETZER, JR.
President

W. A. ALEXANDER & CO.

ROBERT W. GALVIN
President
MOTOROLA, INC.

FRED M. GILLIES
Chairman of Executive Committee
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President
ILLINOIS CENTRAL RAILROAD

HUGHSTON M. MCBAIN
President
CHILDREN'S MEMORIAL HOSPITAL

GENERAL R. E. WOOD
Retired Chairman of the Board
SEARS, ROEBUCK AND CO.

Executive Committee
Chairman
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SEARS, ROEBUCK AND CO.

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KENNETH M. PIPER
MOTOROLA INC.

Vice President
STEPHEN L. DONCHESS
U. S. STEEL

Vice President
JOHN G. SEVCIK
BURTON-DIXIE CORP.

Vice President
RUSSELL E. WHITE
GENERAL ELECTRIC

Sec'y-Treasurer
C. W. HOOPER
STEWART-WARNER CORPORATION

Operating Director
JACK E. ISON
AMERICAN SECURITY COUNCIL

Research Director
WILLIAM K. LAMBIE, JR.
Washington Representative
LEE R. PENNINGTON

Mr. J. Edgar Hoover

Director

Federal Bureau of Investigation
Washington 25, D. C.

Dear Mr. Hoover:

Your reports to Congress, your speeches and articles are, and have been, the best source of authoritative, well-written facts concerning Communist reality. We would deeply appreciate receiving copies as they are released together with permission to reprint them for distribution to our member company executives.

A major purpose of the American Security Council is to educate the top executives of its member companies regarding the extreme menace of Communism. Since we are dealing directly with the top executives of over 900 member companies, such as U. S. Steel, Socony Mobil, General Electric, Sears, International Harvester, Allis Chalmers, and other companies of similar stature, this can lead to effective action.

It is also our earnest desire to cooperate fully with you in any other way which you might deem appropriate.

Sincerely yours,

John M. Fisher

John M. Fisher
Chairman of the Board and
Executive Committee

REC 34 100-425828-33

15 AUG 19 1960

Monrell to DeLoach
8-1-60 A7H/PD

added to Spec Corres
8/1/60
go to 925 copies

Followed for each item
of my

PERS. FILES

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: 8-1-60

FROM : D. C. Morrell

SUBJECT: JOHN M. FISHER
 AMERICAN SECURITY COUNCIL
 CHICAGO, ILLINOIS

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 7/11/88 BY SP1mac/fif

BACKGROUND:

By letter 7-20-60, John M. Fisher, Chairman of the Board and Executive Committee, American Security Council, requested the Council receive Bureau articles concerning communism in the future with permission to reprint them for distribution to executives of the companies who are members of the council. He said membership exceeds 900 companies including U. S. Steel, General Electric, Sears and others of similar stature.

Bufiles contain no significant derogatory information regarding the American Security Council, although we have received a number of inquiries regarding its functions from citizens and business leaders. SAC, Chicago advised in November, 1959, that there is no indication the American Security Council has identified data it makes available to member companies as taken from or based upon FBI reports. At one time information was received that the organization proposed to develop its own informants to report subversive activities, but there is no indication that this plan was ever carried out.

The American Security Council is financed and operated by private industry as a national research and information center on subversive activities for use of its members. The President and Vice President are former Special Agents of the FBI. It sponsors Fidelifax, Inc., a nationwide personnel investigating organization with offices in 32 cities, each of which is allegedly headed by a former Bureau Agent.

John M. Fisher EOD 8-4-47 as Special Agent and resigned 2-13-53. He is employed by Sears and Roebuck and Company. Information received in January, 1959, indicated that Fisher proposed the Council place informants in the Communist Party.

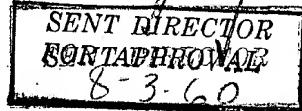
REC-34 100-425808-34

Enclosure

5 AUG 6 1960

AFH:ed

(2)



1 Xerox
 8-25-60
 7-19-60

15 AUG 19 1960

CORRESPONDENCE
 PERS. FILE

Memorandum to Mr. DeLoach:
RE: JOHN M. FISHER

OBSERVATIONS:

Distribution of statements of the Director and reprints of Bureau articles by this organization would place these items before potentially strong supporters of the Bureau; however, it is believed caution should be exercised to assure that the American Security Council does not give its members the impression that the distribution of this material is its exclusive right through some association with the Bureau. Control of this situation is believed possible if:

- (1) Material regularly sent to special correspondents is sent to Fisher, as stated in outgoing letter.
- (2) Permission to reprint this material is declined.
- (3) We agree to furnish ^{Add, 4 more!} adequate number of reprints for distribution on request if available.

Each item distributed by the American Security Council would thus be clearly identified on its face.

RECOMMENDATIONS:

- (1) John M. Fisher be added to Special Correspondents' List.
- (2) Attached in-absence letter setting forth the above limitations be sent to Fisher.

REC-41

100-425828-35

August 18, 1960

Mr. John M. Fisher
Chairman of the Board and
Executive Committee
American Security Council
205 West Monroe Street
Chicago 6, Illinois

Dear Mr. Fisher:

Your letter of August 12, 1960, was received as Mr. Hoover was leaving the office and he asked me to thank you for sending him a copy of your "Council Notes" and your annual report. He wanted me to inform you that in response to your request arrangements will be made to send you approximately 2,000 copies of our reprint material.

Sincerely yours,

Helen W. Gandy
Secretary

MAILED 10
AUG 18 1960
COMM-FBI

RECEIVED
FBI - CHICAGO
AUG 18 1960

RECORDED

NOTE: John M. Fisher is on the Special Correspondents' list to receive 925 copies of reprints which are sent to those persons on that list.

Tolson _____
Mohr _____
Parsons _____
Belmont _____
Callahan _____
DeLoach _____
Malone _____
McGuire _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Ingram _____
Gandy _____

ELC:ms/bis
(3)

RECORDED

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TELETYPE UNIT

52 AUG 25 1960

AUG 18

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PM

RECORDED-READING

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BT

100-425828-45

BT

AMERICAN SECURITY COUNCIL

205 West Monroe Street, Chicago 6, Illinois

August 12, 1960

Senior Advisory Board

BENNETT ARCHAMBAULT
Chairman of the Board
STEWART-WARNER CORPORATION

JOHN T. BEATTY
President
UNITED SPECIALTIES COMPANY

CHARLES S. CRAIGMILE
President
BELDEN MANUFACTURING CO.

ROBERT DONNER
Chairman
THE DONNER FOUNDATION

WADE FETZER, JR.
President
W. A. ALEXANDER & CO.

ROBERT W. GALVIN
President
MOTOROLA, INC.

FRED M. GILLIES
Chairman of Executive Committee
ACME STEEL COMPANY

WAYNE A. JOHNSTON
President
ILLINOIS CENTRAL RAILROAD

HUGHSTON M. MCBAIN
President
CHILDREN'S MEMORIAL HOSPITAL

GENERAL R. E. WOOD
Retired Chairman of the Board
SEARS, ROEBUCK AND CO.

Executive Committee

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JOHN M. FISHER
SEARS, ROEBUCK AND CO.

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KENNETH M. PIPER
MOTOROLA INC.

Vice President
STEPHEN L. DONCHESS
U. S. STEEL

Vice President
JOHN G. SEVCIK
BURTON-DIXIE CORP.

Vice President
RUSSELL E. WHITE
GENERAL ELECTRIC

Sec'y-Treasurer
C. W. HOOPER
STEWART-WARNER CORPORATION

Operating Director
JACK E. ISON
AMERICAN SECURITY COUNCIL

Research Director
WILLIAM K. LAMBIE, JR.
Washington Representative
LEE R. PENNINGTON

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY SP1mac/ffcc

Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation
Washington 25, D. C.

Dear Mr. Hoover:

We are most grateful for your offer as outlined in Miss Gandy's letter of August 3, 1960. This will save us the substantial expense of reprinting.

We could use 2,000 copies each of your speeches, reports, and articles on Communism. (Our mail goes to two or more top company officers in each member company.)

The ASC is growing rapidly and will soon be asking for additional copies. The attached July 21, 1960, Council Notes and 1959 Annual Report outline our expected growth.

Sincerely,

John M. Fisher

John M. Fisher
Chairman of the Board and
Executive Committee

REC-41

100-425828-35

5 AUG 22 1960

Follow-up chg'd
to send 2000 copies
8-19-60
mug

M.A. 36

2 ENCLOSURE
ENCLOSURE

8/18/60
EPL/mug

8/20/60
CORRESPONDENCE
EPL

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/11/88 BY SP177act/c

ENCLOSURE

100-425828-35

asc

COUNCIL NOTES

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP1mae/lc

July 27, 1960

Goal for
12-31-63 10,000

Goal for
12-31-60 1,000

6-30-60 901

3-31-60 646

3-31-59 253

ASC Member Companies

ASC STRENGTH

American Security Council membership jumped from 253 companies to 646 companies during the fiscal year ended March 31, 1960. From March 31 to June 30, it increased to 901 member companies. This puts us far ahead of schedule for our December 31 goal of 1,000 member companies.

This growth is the result of the continued dedicated efforts of member company executives. Because of this member company activity, it has become easier to maintain the Council's growth rate of more than doubling its membership each year. This rate of growth will continue at least until we reach the level of 10,000 member companies on December 31, 1963.

Continued growth is of key importance since the ASC's scope of activities and effectiveness increase in direct relation to growth in support.

We are now planning the 1961 membership campaign and need your help and suggestions. Please give me your ideas on how to maintain or accelerate this rate of growth.

Sincerely,

John M. Fisher
John M. Fisher
Chairman of the Board and
Executive Committee

JMF:rk

AMERICAN SECURITY COUNCIL

205 WEST MONROE STREET • CHICAGO 6, ILLINOIS

62

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SPINACHE



AMERICAN SECURITY COUNCIL
Annual Report

ANNUAL REPORT 1959
AMERICAN SECURITY COUNCIL
For the Fiscal Year Ended March 31, 1960

205 West Monroe Street
Chicago 6, Illinois

AMERICAN SECURITY COUNCIL MANAGEMENT

SENIOR ADVISORY BOARD

BENNETT ARCHAMBAULT, Pres. & Chrm. Stewart-Warner Corporation	ROBERT W. GALVIN, President Motorola, Inc.
JOHN T. BEATTY, President United Specialties Company	FRED M. GILLIES, Chrm. Ex. Com. Acme Steel Company
CHARLES S. CRAIGMILE, President Belden Manufacturing Company	WAYNE A. JOHNSTON, President Illinois Central Railroad
ROBERT DONNER, Chairman The Donner Foundation	HUGHSTON M. McBAIN, President Children's Memorial Hospital
WADE FETZER, Jr., President Alexander & Company	GENERAL R. W. WOOD, Ret. Chrm. Sears, Roebuck and Company

PLANNING COMMITTEE

FRANK R. BARNETT, Dir. Research The Richardson Foundation, Inc.	D. MILTON LADD, Ret. Asst. to Dir. Federal Bureau of Investigation
HUBERT L. BILLS, Ex. Vice Pres. Acme Steel Company	HENRY REGNERY, President Henry Regnery Company
JOSEPH E. HENRY, Vice President Allstate Insurance Company	ROBERT J. WILSON, Asst. to Chrm. James Flett Organization

INDUSTRY RELATIONS COMMITTEE

THOMAS B. BARTEL, Vice President Quaker Oats Company	FRED P. KIRCH, Treasurer Illinois Masonic Hosp. Assoc.
FRED E. BUSBEY Former Member of Congress	W. S. SCHOLL, Dr. of Personnel Louisville & Nashville Railroad
ROLAND E. FULTON, Ex. Vice Pres. Employers Association of Chicago	DAN A. SULLIVAN, Ex. Director Inst. for American Strategy
E. EDGERTON HART, Secretary Illinois Manufacturers Assoc.	WILLIAM W. THORSNESS, Ex. V. P. Associated Employers of Illinois
BYRON HILL, Mgr.-Labor Relations Kraft Foods Company	

CONTRIBUTIONS ANALYSIS COMMITTEE

DR. GORDON ARMBRUSTER, Director of Organization & Planning W. A. Sheaffer Pen Company	EDWARD F. McGINNIS, Vice Pres. Joseph E. Seagram & Sons, Inc.
KARSTEN C. FLORY, Ind. & Com. Rel. Allis-Chalmers Mfg. Company	CHESTER O'CONNELL, Personnel Mgr. Kleinschmidt Laboratories
THOMAS M. HEALY, Asst. to Director of Security Republic Steel Corporation	PETER O'DONNELL O'Donnell Foundation
W. H. JOHNSON, Exec. Vice Pres. Lone Star Steel Company	BERNARD L. ORELL, Vice Pres. Weyerhaeuser Company
P. W. KEARNEY, Exec. Assistant United States Steel Corp.	GEORGE ORESCAN, Treasurer Universal Oil Products Co.
HAROLD V. KENNEDY, Gen. Counsel Deering, Milliken & Co., Inc.	DONALD H. SHAW, Secretary Iowa-Illinois Gas & Electric Co.
	PETER STEELE, Consultant - Group Relations General Electric Company

PUBLIC RELATIONS COMMITTEE

GEORGE B. VIDAL	Dir. of Press Relations	Sears, Roebuck & Co.
C. W. GRANGE	Public Relations Dir.	Stewart-Warner Corp.
ARTHUR C. CARLSON	Mgr. of Press Relations	Illinois Central R.R.

OFFICERS

Chairman	JOHN M. FISHER	Sears, Roebuck & Company
President	KENNETH M. PIPER	Motorola, Inc.
Vice President	STEPHEN L. DONCHESS	U. S. Steel Corporation
Vice President	JOHN G. SEVCIK	Burton-Dixie Corporation
Vice President	RUSSELL E. WHITE	General Electric Company
Secretary-Treasurer	CYRIL W. HOOPER	Stewart-Warner Corporation
Operating Director	JACK E. ISON	American Security Council

Research Director	WILLIAM K. LAMBIE, JR.
Washington Representative	LEE R. PENNINGTON

FIFTH FISCAL YEAR IN BRIEF
(Year Ended March 31, 1960)

Membership

1959 was a year of notable advances for the American Security Council. During our fifth fiscal year, membership jumped from 253 companies to 646 companies. Council members include colleges, newspapers, magazines, financial institutions, foundations, industrial firms, transportation companies, department stores, and many others. The Council's growth as a national association is best illustrated by the fact that 56 of this year's new members were from Texas, 42 from California, and 48 from New York.

It is planned that ASC membership will again more than double for the sixth consecutive year. Already, during the first quarter of the sixth year, 255 new companies have joined the ASC, making a June 30, 1960, total of 901 member companies.

Activities

As the American Security Council has grown, it has broadened its approach to meeting the dual threats of Communism and statism. The Council has now become the major means by which its member companies work together to meet these threats. One of the Council's most effective activities is its assistance to, and coordination of, its member companies in their own action programs. The Council handled 13,037 requests for assistance from member companies this year.

The ASC has continued its policy of handling requests for information from certain government agencies and congressional committees at no charge. In this connection, the Council was of material service to eight government agencies and two congressional committees.

During the year the American Security Council aided other organizations in fighting Communism. For example, the ASC served as co-sponsor of the National Military-Industrial Conference, the most important conference to be held in Chicago during the year. Speakers and panellists drawn from the very highest military, scientific, business and government levels, discussed "The U.S. Economy in a World of Conflict" and recommended specific plans for meeting today's challenges.

The Council also inaugurated a contributions analysis service for member companies desiring further information on organizations seeking support in the fields of public affairs, economics, or foreign relations. This service is designed to provide all the facts necessary for a proper evaluation of the organization in question.

Member company representatives attended monthly liaison meetings at the ASC offices during the past year. At each meeting the representatives of our member companies were given a detailed explanation of the techniques of the Communist Party in infiltrating labor and industry; a thorough understanding of the files and types of information that are available at the Council; and an explanation as to how this information can be most effectively used by each member. Also, these men were advised in detail of Council activities not included in this summary report.

During the fifth fiscal year, the Council obtained a private file on subversive activities gathered by a former government intelligence official and files on subversion assembled by a major national corporation. This material is being integrated into the Council files. Since its inception, the Council has acquired 7 major files on subversion.

The Council's files, the largest private files on subversive activities in the United States, now have an index of between a million and one-half and two million cards. Every working day about 1,000 more cards are added to the index. The Council rented additional space to meet the expansion of its files and personnel. It now has 4,500 square feet of office space. For ready accessibility, the Daily Worker and other subversive publications were reduced to bound form. The Council now has bound editions of the Daily Worker extending back to the first issue in 1924.

The Communist concern over Council activities is shown by the many articles on the ASC which have appeared in the Worker during the past year. This official Communist Party newspaper has been directing a concentrated attack on the Council since mid-1958. This attack is unique in that it has not been echoed in the public press as have so many other Worker attacks.

Why is the Communist Party so concerned about the Council? A review of the various articles on the Council indicates that its main concern is that the ASC is gathering facts concerning the Party's activities. This is of special importance to the Party because its successes in this country have been largely due to its ability to hide behind many fronts in carrying out its programs.

Financial

The American Security Council income for the fifth fiscal year totaled \$132,363.00; \$103,506.00 in dues and \$28,829.00 in service income. Net income before Federal Income Taxes was \$28,748.52. Federal Income Tax was \$3,172.14, leaving a net income after tax of \$25,576.38.

The Council has not applied for exemption from Federal Income Tax under section 501-C3 of the Internal Revenue Code, since under 501-C3, 1) the Council's files would have to be open to the public and 2) the Council could not take positions for or against pending legislation. (Member companies handle membership dues as a business expense rather than as a contribution.)

Administration

The American Security Council is operated under the guidance of its Senior Advisory Board, which meets quarterly. The members of the Senior Advisory Board name personal representatives to be active in the Administration of Council affairs. These men serve on the Executive Committee, which implements the policies approved by the Senior Advisory Board. The Council's dramatic growth this year in size and scope of activities led the Senior Advisory Board to approve the selection of additional officers from ASC member companies. The wide and varied experience of these men in both business and government is proving invaluable in guiding the Council through this period of rapid expansion. The new officers are:

JOHN G. SEVCIK - ASC Vice President. Typical of the proverbial American self-made man, Mr. Sevcik began working for the Burton-Dixie Corporation as a stock boy, moved through all operations of the plant to office work, to administrative and sales work, to a director, and in 1949 to president. In spite of the heavy responsibilities entailed in Mr. Sevcik's rise to the top job in a multi-million dollar business, he continued his education at night school and holds the degrees of Bachelor of Laws, Master of Patent Law, Bachelor of Science, Master of Business Administration, Master of Laws and Doctor of Laws. He has practiced as an attorney in the State of Illinois and was admitted to practice before the U. S. Supreme Court.

STEPHEN L. DONCHESS - ASC Vice President. Mr. Donchess, Assistant Secretary and Manager of Workmen's Compensation and Casualty for U. S. Steel, is an attorney and a former FBI agent. During World War II, Mr. Donchess served in Europe as a Captain

of Infantry. After the war, Mr. Donchess was a public safety officer in the American Military Government. Among his responsibilities was administration of the prison in which Goering, Goebbels, Hess, and other top Nazis were held during the Nuremberg Trials.

RUSSELL E. WHITE - ASC Vice President. Mr. White is Industrial Security Consultant at General Electric. He is a graduate of Holy Cross College and Harvard Law School and has been associated with General Electric as an industrial security expert since 1951. He is a former special agent of the FBI and practiced law immediately prior to joining GE. He is a former president of the American Society for Industrial Security.

The Executive Committee of the American Security Council is responsible for its day to day operations. This Committee consists of John M. Fisher, Chairman of the Executive Committee; Kenneth M. Piper, President; Cyril W. Hooper, Secretary-Treasurer; Jack E. Ison, Operating Director and Messrs. Sevcik, Donchess, and White.

Staff

The increased activity of the Council required the addition of several new employees. We added a research director; two researchers, including a Chinese and Japanese translator; a Washington representative; a typist; and a clerk. The Council now has 11 full-time and eight part-time employees.

Mr. William K. Lambie, Jr., joined the Council staff on November 2, 1959, as Research Director. Mr. Lambie is a graduate of Ursinus College and Vanderbilt University Law School. He is a member of the Bar in the State of Tennessee and served as a special agent of the FBI in the Kansas City and New York offices. Mr. Lambie is widely experienced in the security field and by virtue of his special background is making an important contribution to Council effectiveness.

The Council retained Lee R. Pennington as Washington Representative. After approximately 25 years service with the FBI, Mr. Pennington retired as an Inspector. He is the former director of the National Americanism Commission of the American Legion.

John M. Fisher
Chairman of the Board
and Executive Committee

(COPY)

JOHN A. LYNCH & COMPANY
Certified Public Accountants
231 South LaSalle Street
Chicago 4, Illinois

June 7, 1960

American Security Council
205 West Monroe Street
Chicago, Illinois

We have examined the balance sheet of American Security Council as of March 31, 1960 and the related statement of income and capital for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and related statement of income and capital present fairly the financial position of the American Security Council at March 31, 1960 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

John A. Lynch & Company

AMERICAN SECURITY COUNCIL
(AN ILLINOIS CORPORATION NOT FOR PROFIT)
BALANCE SHEET
MARCH 31, 1960

Assets

Current Assets

Cash in bank and on hand	\$37,721.27
Securities - at cost	533.75
Prepaid items	<u>41.54</u>
	\$38,296.56

Fixed Assets

Office equipment	8,418.04
Less provision for depreciation	<u>4,274.19</u>
	4,143.85
	<u>36,542.73</u>
	40,686.58
	<u>\$78,983.14</u>

Liabilities and Capital

Current Liabilities

Accounts payable	\$ 1,203.40
Payroll Taxes	1,082.15
Federal income tax	<u>3,172.14</u>
	\$ 5,457.69

Capital

73,525.45
<u>\$78,983.14</u>

**AMERICAN SECURITY COUNCIL
(AN ILLINOIS CORPORATION NOT FOR PROFIT)
STATEMENT OF INCOME AND CAPITAL
YEAR ENDED MARCH 31, 1960**

Income

Contributions and dues	\$103,506.00
Service income	28,829.00
Dividend income	<u>28.00</u>
	\$132,363.00

Expenses

Automobile expense	80.13
Burglar alarm service	91.00
Depreciation	<u>7,400.96</u>
Equipment rental	146.64
Insurance	882.05
Interest	297.44
Legal and audit	387.30
Lit., subscriptions & mat. for files	4,391.06
Local transportation	165.48
Maintenance and repairs	560.75
Miscellaneous	1,312.80
News letters	1,640.14
Office expense	1,021.33
Outside stenographic & clerical service	12,668.42
Payroll taxes	1,239.10
Personnel expense	571.74
Postage	2,753.40
Rent and light	7,576.05
Salaries	49,960.40
Stationery supplies & printed matter	8,459.06
Taxes, other	36.80
Telephone & Telegraph	1,191.10
Travel	668.98
Water & towel service	<u>112.35</u>
	103,614.48

Net Income before Federal Income Tax	28,748.52
Provision for Federal Income Tax	<u>3,172.14</u>
Net Income after Federal Income Tax	25,576.38
Capital Balance, April 1, 1959	<u>47,949.07</u>
Capital Balance, March 31, 1960	<u>\$ 73,525.45</u>

Pv

F. H. PEAVEY & COMPANY

760 GRAIN EXCHANGE BUILDING
MINNEAPOLIS 15, MINNESOTA

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY JPM/jac/lcc

September 19, 1960

Mr. J. Edgar Hoover
Federal Bureau of Investigation
U. S. Department of Justice Building
Washington, D. C.

Dear Mr. Hoover:

We have been approached through Mr. Robert W. Galvin, president of Motorola, Inc., to support the American Security Council as an organization championing the cause of free enterprise and opposing Communism.

What do you know about this organization? Is it something that a good American company should support?

F. T. Heffelfinger, II
Vice President

EX 109

REC 92/00-425828-36

FTH:jc

SEP 28 1960

Nov 9, 1960
FBI - Minn.
D/12
11/08

JPM
CORRESPONDENCE
159a

September 27, 1960

EX 109

REC- 92

100-425828-36

Mr. F. T. Heffelfinger, II
Vice President
F. H. Peavey and Company
760 Grain Exchange Building
Minneapolis 15, Minnesota

Dear Mr. Heffelfinger:

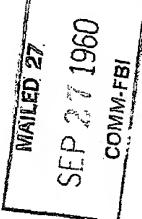
I have received your letter of September 19, 1960, and the interest which prompted you to write is indeed appreciated.

While I would like to be of assistance to you, the FBI is an investigative agency of the Federal Government and as such does not furnish evaluations or comments concerning the character or integrity of any individual, publication or organization. I can advise you, however, that the American Security Council has not been the subject of an investigation by this Bureau, but this should not be construed as a clearance or nonclearance by the FBI.

Sincerely yours,

W. Edgar Hoover

NOTE: F. T. Heffelfinger, II is not identifiable in Bufiles; however, the Bureau has exchanged cordial correspondence with Mr. Totton H. Heffelfinger who directed a memo to all his employees concerning the smear directed at the Bureau recently and the Director thanked him for his confidence by letter of June 19, 1959. Bufiles contain no significant derogatory information regarding the American Security Council (ASC) although we have received a number of inquiries regarding



REG'D-READING ROOM
FBI
SEP 27 5 39 PM '60
Gandy

SAW:mas/jpr
(4)

(NOTE continued next page)

50 OCT 5 1960

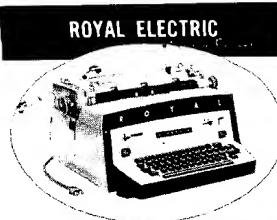
MAIL ROOM

TELETYPE UNIT

Tolson _____
Mohr _____
Parsons _____
Belmont _____
Callahan _____
DeLoach _____
Malone _____
McGuire _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Ingram _____
Gandy _____

NOTE: continued

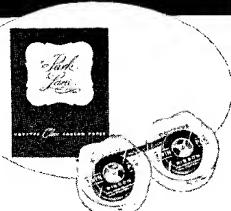
its functions from citizens and business leaders. The ASC is financed and operated by private industry as a national research and information center on subversive activities for use of its members. The president and vice president are former SAs of the FBI. It sponsors Fidelifax, Inc., a nationwide personnel investigating organization with officers in 32 cities, each of which is allegedly headed by a former Bureau Agent. Replies of this nature have been sent when inquiries were received regarding the ASC.



ROYAL "FUTURA" PORTABLE



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16th STREET & AVENUE K - P. O. BOX 218
Phone: HArrison 6-3346 - HONDO, TEXAS

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WORLD'S LARGEST MANUFACTURER OF TYPEWRITERS

V.H. Berger

Mr. Tolson
Mr. Mohr
Mr. Parsons
Mr. Belmont
Mr. Callahan
Mr. DeLoach
Mr. Malone
Mr. McGuire
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. W.C.Sullivan
Tele. Room
Mr. Ingram
Miss Gandy

Sept. 30, 1960

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/85 BY SP7/macthc

gpa
Mr. J. Edgar Hoover
FBI
Washington, D.C.

Dear Mr. Hoover:

I have always been under the impression that the United States was a big enough anti-communist organization to get results, and these two letters sound as though the writers are not satisfied with what your department is doing.

They have the wrong idea if they think I am looking for ways to spend money.

My question is sort of like the old travel question during the war.. Is this organization necessary?

Are they doing anything for a little business like mine that isn't being done by our government, and what is your opinion of their group?

Yours truly,

W.E. Berger

W.E. Berger
100-425828-37

15 OCT 11 '60

REC-46

EX-127

[Signature]

*MFL 3 ENCLOSURE (other side unmarked)
ack 10-7-60
JMM:mhd*

EXP. PROC.
OCT 3 1960

MOTOROLA INC.

CHICAGO, ILL

September 16, 1960

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY Jpmac/lhc

Mr. W. E. Berger
Medina County Publishing Company
1601 Avenue K
Box 218
Hondo, Texas

Dear Mr. Berger:

Probably your mail is a lot like ours -- loaded with requests for support from dozens of worthy anti-Communist and patriotic organizations. These fine organizations have tried hard, but the Communists are not deterred by the efforts of these small groups.

We need at least one anti-Communist organization big enough to get results. This can be done easily if we all support the same association -- one which has already demonstrated its vitality.

On this basis we ask you to join us in the American Security Council. With over 900 member companies, it is already the largest organization of its type. It has more than doubled in size each year. It has met the market test. We plan to have over 1,200 members by the end of this year.

The enclosed new brochure describes the American Security Council as it is now. Membership dues are nominal and should not dislocate your budget.

Please complete the enclosed membership form now and return it to me..

Sincerely,

Robert Galvin
Robert W. Galvin BOB GALVIN President, Motorola, Inc.
CHICAGO, ILL

RWG/1p
Enc. 2

100-425828-37

ENCLOSURE

ROBERT E. WOOD
1806 CHICAGO BOARD OF TRADE
CHICAGO 4, ILLINOIS

September 26, 1960

Mr. W. E. Berger
Medina County Publishing Company
1601 Avenue K
Box 218
Hondo, Texas

Dear Mr. Berger:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP/ma/c/fhc

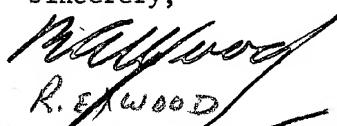
In his September 16 letter to you, Bob Galvin emphasized the need for an anti-Communist organization big enough to get results. We feel that the American Security Council is that organization.

Many Communist front organizations are financed by businesses which are unaware of their true character. A major objective of the ASC Contributions Analysis Committee is to save business from financing its worst enemies. This alone will justify your support.

The Communist Party has recognized that the Council's steady accumulation of facts is the key to its growing effectiveness. The Party pays little attention to most private anti-Communist activity. Yet, the Party printed 15 articles attacking the Council in just six consecutive issues of The Worker. It even took the unprecedented step of publishing a special Worker issue on the ASC. What better endorsement could we have?

We do want you with us in the American Security Council. Please complete the enclosed form now. Return it to me in the enclosed envelope.

Sincerely,


R. E. WOOD

ROBERT E. WOOD

1806 CHICAGO BOARD OF TRADE
CHICAGO, ILL.

REW/mm
Enc. 2

100-425828-37
ENCLOSURE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP100

100-425828-37
ENCLOSURE

ENCLOSURE

62 OCT 14 1960

AS
C

AMERICAN SECURITY COUNCIL

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY sp1mac/lhc

Q
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D

AMERICAN SECURITY COUNCIL OFFICIALS

SENIOR ADVISORY BOARD

BENNETT ARCHAMBAULT
President and Chairman
Stewart-Warner Corporation

ROBERT W. GALVIN
President
Motorola, Inc.

JOHN T. BEATTY
President
United Specialties Company

FRED M. GILLIES
Chairman Executive Committee
Acme Steel Company

CHARLES S. CRAIGMILE
President
Belden Manufacturing Company

WAYNE A. JOHNSTON
President
Illinois Central Railroad

ROBERT DONNER
Chairman
The Donner Foundation

HUGHSTON M. MCBAIN
President
Children's Memorial Hospital

WADE FETZER, JR.
President
Alexander & Company

GENERAL R. E. WOOD
Retired Chairman of the Board
Sears, Roebuck and Co.

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HUBERT L. BILLS
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Acme Steel Company

HENRY REGNERY
President
Henry Regnery Company

JOSEPH E. HENRY
Vice President
Allstate Insurance Company

ROBERT J. WILSON
Assistant to the Chairman
James Flett Organization

INDUSTRY RELATIONS COMMITTEE

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Vice President
Quaker Oats Company

FRED P. KIRCH
Treasurer
Illinois Masonic Hospital
Association

FRED E. BUSBEY
Former Member of Congress

W. S. SCHOLL
Director of Personnel
Louisville and Nashville
Railroad Co.

ROLAND E. FULTON
Executive Vice President
Employers Association of
Chicago

DAN A. SULLIVAN
Executive Director
Institute for American Strategy

E. EDGERTON HART
Secretary
Illinois Manufacturers
Association

WILLIAM W. THORNESS
Executive Vice President
Associated Employers of Illinois

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Vice President JOHN G. SEVCIK Burton Dixie Corp.

Vice President RUSSELL E. WHITE General Electric Company

Secretary-Treasurer CYRIL W. HOOPER Stewart-Warner Corp.

Operating Director JACK E. ISON

Research Director WILLIAM K. LAMBIE

Washington Representative LEE R. PENNINGTON

The Need for the American Security Council

A strong United States with the will to use its strength is the only obstacle between Russia and world domination. Because of this, a subversive arsenal of Communist organizations is working to weaken our will to resist, confuse us, promote class warfare, and otherwise disorganize our society. Yet, under court interpretation of our laws, the Government cannot take effective action to counter such tactics.

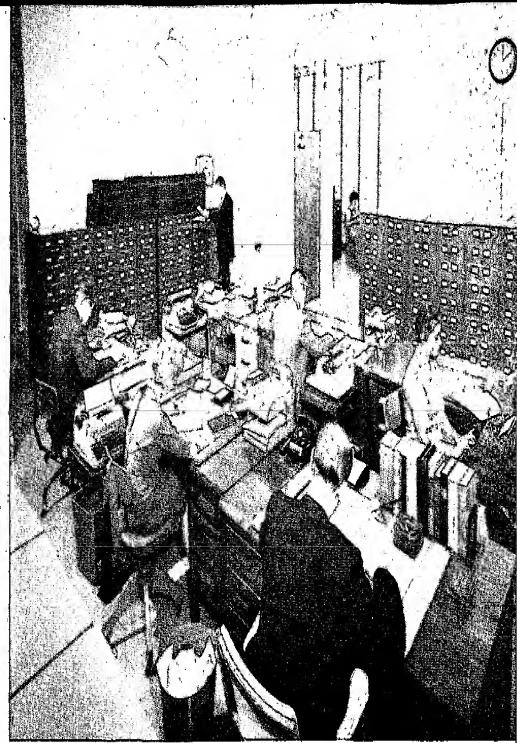
Private groups must fill this gap in our defenses. To counter concealed Communist activities requires full knowledge. The F. B. I. cannot provide specific information to help private groups because its files are secret.

Business therefore organized the American Security Council to be better informed and thus more effective in jointly meeting the Communist threat.

The American Security Council

The American Security Council is a non-profit business association. Initially, it acted as a national research and information center on subversive activities. As it has grown, it has steadily broadened its approach to the problem of countering subversive activities. It has now become the means by which its member companies work together to meet the Communist threat.

Council members include newspapers, magazines, financial institutions, colleges, foundations, industrial firms, transportation companies, department stores, and many others. Together, ASC members have offices or plants in thousands of communities and have millions of employees. A common pro-



Part of the central index

gram followed by these companies will have tremendous effect.

The American Security Council has more than doubled its membership each year since it was organized in 1955. The membership should continue this rate of growth until it reaches about 10,000 member companies.

The Council's core activity continues to be the gathering, indexing, correlating, and disseminating of factual information about Communist and other statist activities. A majority of the ASC officers and staff executives are former agents of the F. B. I.

The American Security Council files are used effectively by member companies, educational institutions, government agencies, congressional committees, and carefully selected writers and scholars. No commercial reporting service has access to the Council's files.

American Security Council Accomplishments

The American Security Council's concrete accomplishments clearly illustrate the broad approach which will be used in the further expansion of its program.

The American Security Council

- o Has acquired five major files and libraries on Communism and statism. It has the largest and most complete private files on Communism in this country. The files have a 1,500,000 card index.
- o Clips all Communist Party publications, 1,800 daily newspapers, 6,000 weekly newspapers, and 200 magazines. Has all federal, state, and local government hearings and reports on un-American activities ever published.
- o Maintains Washington representative and is establishing correspondents in the world's capitals.
- o Publishes a monthly newsletter covering behind-the-scenes Communist activities.
- o Provides personnel security checks for defense industries.
- o Reports on organizations seeking financial support in the economics, public affairs, foreign affairs, and related fields.
- o Conducts seminars for member company executives.
- o Counsels members on problems involving subversive activities.
- o Maintains revolving library for members' use.

AMERICAN SECURITY COUNCIL
205 West Monroe • Chicago 6, Illinois



Preparation of Council reports

Company Membership Dues

NUMBER OF EMPLOYEES	ANNUAL DUES
1 - 24.....	\$ 30.00
25 - 49.....	60.00
50 - 99.....	90.00
100 - 199.....	120.00
200 - 399.....	150.00
400 - 499.....	180.00
500 - 599.....	240.00
600 - 699.....	300.00
700 - 799.....	360.00
800 - 899.....	420.00
900 - 999.....	480.00
1000 - 1499.....	540.00
1500 - 1999.....	600.00
2000 - 2499.....	660.00
2500 - 4999.....	740.00
5000 - 9999.....	820.00
Over - 10,000.....	900.00

At the beginning of 1960, the Council had nearly 500 member companies from all parts of the country. It expects to end 1960 with over 1,000 member companies. Annual dues and other forms of assistance to the Council are a business expense. Personnel Security Checks and special reports are handled at cost. 10% of a company's annual dues is set aside as a service credit. No charge is made for services to Government agencies.

October 7, 1960

REC-46
EX-121

100-425828-37

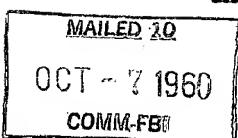
Mr. W. E. Berger
The Hondo Anvil Herald
Post Office Box 218
Hondo, Texas

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP/ma/cfc

Dear Mr. Berger:

I have received your letter of September 30, 1960, with enclosures, regarding the American Security Council.

Although I would like to be of service, I am unable to answer your specific inquiry since information in FBI files is confidential and available for official use only through a regulation of the Department of Justice. I can advise you, however, that the American Security Council has not been the subject of an investigation by this Bureau, but this should not be construed as a clearance or nonclearance of this organization by the FBI. Also, it has no connection whatsoever with us nor does it have access to our information.



Sincerely yours,

J. Edgar Hoover

NOTE: Bufiles contain no derogatory information concerning the correspondent, who on March 23, 1955, along with his wife, was afforded a special tour of the FBI Headquarters and Identification Building. He expressed sincere appreciation for courtesies extended. SAC letter 57-31 dated 5-21-57 reflects that the American Security Council is an organization financed and operated by private industry as a national central research and information center on subversive activities. Information developed is made available for a fee to member companies and other organizations and individuals

(NOTE CONTINUED NEXT PAGE)

JMM:mhd (3)

50 OCT 20 1960 MAIL ROOM TELETYPE UNIT

Letter to Mr. W. E. Berger

NOTE: continued....

deemed to be qualified by the American Security Council (ASC).
ASC was organized to provide industry with access to subversive
information as the FBI can make such information available only
to the Executive Branch of the Government.

Any inquiries received should be answered by
stating ASC has no connection whatsoever with the FBI and has
no access to FBI information.

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Mohr

DATE: November 14, 1960

FROM : C. D. DeLoach

SUBJECT: AMERICAN SECURITY COUNCIL (ASC)
~~OPENING OF WASHINGTON BUREAU~~

The American Security Council (ASC) is financed and operated by private industry as a national research and information center on subversive activities for use of its members. Most of its high officials are former Special Agents of the FBI. John M. Fisher, Chairman of the Board and Executive Committee of the ASC, entered on duty as an Agent 8-4-47 and resigned 2-13-53. He is the brother of Special Agent [redacted] in the FBI Laboratory. (Bufile 100-425828) EXECUTIVE [redacted]

b6
b7c

DEVELOPMENT: a copy of

Attached is a letter dated 11-5-60 to Mr. Lee R. Pennington, former Bureau Inspector, from John M. Fisher. The letter points out that the ASC will establish a Washington Bureau and issue what will be called the "ASC Washington Report." Rear Admiral Chester Ward will become Director of Education of the ASC and Editor in Chief of the "Washington Report" effective 12-1-60. Ward will be directly responsible to Fisher. The "Washington Report" will be published bi-weekly for ASC members. Lee Pennington will act as Chief of the ASC Washington Bureau and will assist Ward in gathering information for the publication.

what do files show on ward?

Fisher, Ward and Pennington will have a meeting the week of 11-20-60 to go over details of opening the office and ironing out financial matters, etc. Fisher plans to be in Washington late this month for an American Society for Industrial Security Board of Directors meeting and a reception for General Trudeau.

The letter points out that the Washington Bureau and the "ASC Washington Report" will be minimum-budget operations. Copy will be worked up here for the "Washington Report" mailed to Chicago where it will be reproduced and mailed to subscribers in quantity.

b6
b7c

The above is set forth for record purposes. SA [redacted] advises the attached letter was sent to him in confidence by his brother John M. Fisher, who is employed by Sears, Roebuck and Company in Chicago. It is not desired that Pennington be made aware that we have received a copy of this letter.

REC-10/100-425828-38

RECOMMENDATION: That this memorandum with enclosure be referred to the Domestic Intelligence Division for its information.

Enclosure / ENCLOSURE

1 - Mr. Parsons

1 - Mr. Belmont

REW:sak 51 DECEMBER 13 1960

EX-113

V

P

CRIME RESEARCH

PEBS FILE

102

November 9, 1960

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP7mac/HK



Chevy Chase 15, Maryland

b6
b7C

Dear Leo:

The following material was taken from my November 4, 1960, letter to Rear Admiral Chester Ward. I am sending it along for your information since it will provide part of the basis for further discussions relating to the development of the ABC Washington Bureau and the ABC Washington Report. I am most anxious to get you and Admiral Ward together. I hope to see you both on either the afternoon of November 23 or some time on November 23.

"This will confirm your appointment as American Security Council Director of Education and as Editor-in-Chief of the ABC Washington Report effective December 1, 1960. The initial period of your employment will be six months.

"We have agreed that either you or the ABC may terminate this relationship for any reason whatsoever at the end of the six months with at least 30 days advance notice. Naturally, neither of us expect this to happen but did agree that such a provision was advisable.

"During this first six months, you will report directly to me. You will have four general areas of responsibility. These are, in order of importance:

1. Gathering information not known to the general public concerning national and international developments affecting the security of the nation and writing a bi-weekly ABC Washington Report for ABC members.
2. Developing the ABC educational program.
3. Making speeches before groups of member company executives and other groups as suggested or approved by the Council.

Re-Yard to [unclear]
11-14-60
new

ENCLOSURE

45-657-38

[Redacted] -2- November 5, 1969

b6
b7C

"4. Working closely with Lee Fannington in improving AGC relations with the legislative and executive branches of the government and the armed forces.

"Writing the AGC Washington Report will be your full responsibility. You will search out and carefully document the facts concerning behind-the-scenes developments affecting our nation's security. You will report these facts and analyze their meaning in the AGC Washington Report. The utmost effort must be made to make this an original source publication. Be most avoid any appearance of consolidating or retreading previously published material.

"Lee A. Fannington will act as chief of the AGC Washington Bureau which, as the Council's Washington office, will "publish" the AGC Washington Report. Lee has many, many contacts around Washington and will help you gather information.

"Lee is now looking for a respectable office to char so that the Washington Bureau will have an address, its name on the door, a telephone, someone to answer it, and desk space. I've authorized him to go as high as \$100 a month for the right location.

"Eventually, we will have a part-time or even full-time stenographer in the Washington Bureau for you and Lee -- with the Washington Report having first priority on her time. In the meantime, we may be able to share a steno -- up to two days a week -- in an established office. If not, we should try to find a satisfactory secretarial service -- the type that provides dictating equipment, pickup, and delivery as a part of its service.

"Our financial position requires that the Washington Bureau and AGC Washington Report be minimum-budget operations. Therefore, we ask that you keep your expenses to a minimum. I will authorize you to spend up to \$50 a month for miscellaneous expenses including an occasional guest meal.

"We will print and mail the Washington Report in Chicago. We have the addressograph plates here and need them for the Newsletter, Council Notes, and other mailings. Also, mailing from centrally located Chicago should provide prompt Washington Report delivery for a majority of our membership. In addition, this will save you all production and fulfillment problems. I will try to arrange a 24-hour printing and mailing schedule here; then, if you get the material to me every other Friday, we can print and mail Saturday with the following Monday's date.

"I will arrange for the layout and artwork for the Washington Report format. Please give me your thoughts on the format so that we can be ready with the printed stock and envelopes for the first issue in January, 1961.

[Redacted] November 6, 1968

b6
b7C

The ABC Washington Report text will require my approval before it is printed. This is in accordance with our standing policy that any material sent to all member companies must be approved by the Executive Committee Chairman. I will not edit the text without discussing it with you first. In this connection, it might be of interest that I approved the last half dozen ABC Bulletins without change.

The November 1, 1968, Council Notes announced your employment as part of the ABC's growth. We will give you a full and enthusiastic write-up in a Council Notes published with the first Washington Report.

I will be in Washington later this month for an American Society for Industrial Security Board of Directors meeting and a reception for General Trudeau. I will arrive at the Statler-Hilton at about noon on Sunday the 26th and would like to see you and Mr. Pennington some time that afternoon or same time Wednesday the 29th. We can go into further details then.

"I am very enthusiastic about the potential of the ABC Washington Report. Your background and training are ideal for this vital role."

Best regards,

Sincerely,


John D. Fischer

JWV:rk

cc: J. B. Econ (C)
G. J. Tracy
C. Ward

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

FROM : M. A. Jones ✓

SUBJECT: REAR ADMIRAL CHESTER WARD (RETIRED)

DATE: 11-18-60
 ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 7/11/88 BY SP7mack

Tolson _____
 Moor _____
 Persons _____
 Belmont _____
 Callahan _____
 DeLoach _____
 Malone _____
 McGuire _____
 Rosen _____
 Hamm _____
 Trotter _____
 W. J. Sullivan _____
 Tele. Room _____
 Ingram _____
 Gandy _____

BACKGROUND AND PURPOSE:

Mr. Tolson has asked what our files show on the captioned individual who will become Director of Education of the American Security Council and Editor in Chief of the "Washington Report" on 12-1-60.

BIOGRAPHICAL DATA:

D.C., According to the current issue of "Who's Who in America" Ward was born 10-7-07. He graduated from Georgetown University, cum laude, receiving a B. S. degree in 1931; LL. B. with distinction, George Washington University, 1935, and LL. M., 1936; graduate student of economics of American University, 1939-41. Ward became an Ensign in the U. S. Navy in 1928 and advanced through the grades to Rear Admiral in 1956. He was Judge Advocate General from 1956 until his retirement on August 1, 1960. Ward was admitted to the District of Columbia Bar, 1935; U. S. Supreme Court, 1946. He was associated professor of law at George Washington University Law School, 1935-47. He resides in Arlington, Virginia.

INFORMATION IN BUFILES:

Bufiles contain no identifiable derogatory data concerning Admiral Ward and we have had very cordial relations with him; exchanging correspondence on a number of occasions. The Director wrote Ward regarding his retirement on 7-22-60. He has met the Director and has attended Liaison parties. He was always friendly and cooperative with representatives of this Bureau. Ward has received from the Bureau a number of articles dealing with communism and takes advantage of every available opportunity to speak before various groups on this subject.

RECOMMENDATION:

None. For Information.

1 - Mr. DeLoach

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 (6) 800
 2/65
 4 X EPOX 12/8 150

11/21 DAW REC-10100-425828-39
 EX-113 11 NOV 25 1960
 CRIME RESEARCH

UNITED STATES GOVERNMENT

Memorandum

TO : MR. PARSONS *APR*

FROM : A. H. Belmont *AB*

SUBJECT: AMERICAN SECURITY COUNCIL

DATE: 11/22/60

cc Mr. Parsons
Mr. Belmont
Mr. Baumgardner

Tolson _____
Mohr _____
Parsons _____
Belmont _____
Callahan _____
DeLoach _____
Malone _____
McGuire _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Ingram _____
Gandy _____

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 11/18/88 BY SP1/mack/c

At the reception given by the American Society for Industrial Security, to introduce its new President, John Buckley, held at the Statler Hotel on the evening of 11/21/60, I met and talked with John Fisher, former Agent, who is with Sears Roebuck in Chicago, and who is heading the American Security Council. We have previously received information concerning this council and assurances that it would cooperate with the Bureau.

Fisher said that the council is growing rapidly. At the present time they have 1500 companies as members, far exceeding their projected goal of 1000 members by this December. Many of the largest industrial companies in the country are members, such as Republic Steel, et cetera.

Fisher said that the council does not conduct any investigations, but rather provides the service to its membership of checking its files, upon request, and furnishing information which is identical with the inquiry. He said if they are not sure that the subject is identical, they send back a no record reply.

I inquired how their files were made up and how they added to the files. He said that they had files which had been made up from such sources as the files which Harry Jung used to have in Chicago, files built up by Allis Chalmers Corporation, and a number of other sources, which have given the council a real subversive file. They are kept up to date by a clipping service. He said that practically all newspapers in the country are clipped on the basis of certain information in which the council is interested, and these clippings are sent in and filed.

EX-134

REC-35

Fisher said that the council is branching out into other types of anticommunist work, for example, the recent schools held in the West by Dr. Schwarz, using as speakers people like Cleon Skousen and Herbert Philbrick. Fisher commented that the council is watching its step so that it does not get tied in with any radical outfits, for instance the John Birch Society, headed by Welch, in New England. He said the council is staying away from such organizations. Fisher did not indicate that the council is providing funds for and backing the Schwarz schools. However, he did say that Cleon Skousen is now the field representative,

AHD:PSD (A)

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CLIP RATING

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Mr. Parsons

headquartered at Salt Lake City, for the American Security Council, and is making talks at these schools and elsewhere.

I remarked to Fisher that I noted the council was setting up a publication here in Washington, using retired Admiral Chester Ward to head this up, in conjunction with Lee Pennington. Fisher reiterated that each issue of this pamphlet would come through him in Chicago so they could be sure of what was being put out.

Fisher wanted to know if we would like to be kept advised of the activities of the council, inasmuch as they are broadening out and attempting to attack communist influence wherever they can find it. I told him we would be glad to be kept advised and he could feel free to write in to the Bureau along these lines if he desired.

He said he wanted to make it plain that anything the council does will not conflict with the Bureau, and any time the FBI wants to use the council in any manner, the council is at the disposal of the FBI.

This is for record purposes.

E.P.S.
mvr3

UNITED STATES GOVERNMENT

Memorandum

TO : MR. PARSONS
 FROM : A. H. Belmont

DATE: 12/5/60

cc Mr. Parsons
 Mr. Belmont
 Mr. Baumgardner

SUBJECT: AMERICAN SECURITY COUNCIL

205 West Monroe Street
Chicago, Ill.

Remy memo 11/22/60 concerning conversation with John M. Fisher (former agent, now with Sears Roebuck in Chicago), who is Chairman of the Board of the newly formed American Security Council. Fisher stated at that time he would be glad to keep the Bureau advised of the Council's activities.

Attached, for your information, is the first item received from Fisher, consisting of the 11/30/60 issue of the "ASC Newsletter," official publication of the American Security Council.

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 7/11/88 BY SP1mac/bs

Enclosure

AHB:CSH (4)

CRW

REC-59

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11 DEC 8 1960

EX-135

ENCLOSURE ATTACHED

ENCLOSURE

57 DEC 19 1960

Tolson	_____
Mohr	_____
Parsons	_____
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Malone	_____
McGuire	_____
Rosen	_____
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Trotter	_____
W.C. Sullivan	_____
Tele. Room	_____
Ingram	_____
Gandy	_____

MADON

P. S. ROY

E.C. SULLIVAN

D. DeLoach

M.J. MAZEL

J. S. SUTTER

P.M. SUTTER

R. DeLoach

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP2mact/llc-

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ENCLOSURE

195

• **ASC**

ALL INFORMATION CONTAINED
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DATE 7/1/03 BY SP/maclac

NEWSLETTER

No. 60-10

November 30, 1960

THE WORLD OCTOBER

The practice of espionage was old when Moses sent twelve men to spy out the land of Caanan, instructing them to "see the land, what it is; and the people that dwelleth therein, whether they be strong or weak, few or many." Down through the centuries every nation of consequence has placed some reliance on espionage, but never in history has there been a government which has placed greater faith in and greater emphasis on intelligence activity than the Soviet Union. Indeed, the importance of espionage is so great in the Soviet scheme of things that no adequate understanding of the Soviet course in foreign affairs is possible as long as this phase of Soviet activity remains obscure. An indication of the importance which the Soviets place on espionage is the fact that the Central Information Department, the repository of all information gathered by espionage, was presided over for many years by Georgi Malenkov, then Stalin's closest aide and later Premier of the U.S.S.R.

USSR

In the 1920's, France, then the strongest military power in the world, was the primary objective of Soviet intelligence. In the 1930's, the emphasis shifted to Germany. In the 40's the United States became target number one for the largest intelligence apparatus the world has ever known. Yet, most Americans still regard espionage as something from the dark side of the moon - much fable and little fact. Since Soviet espionage has affected and will continue to affect the daily lives of every one of us, it is imperative that we have some understanding of it - its form, characteristics and aims.



EARL BROWDER

One point should be made clear at the outset: Soviet espionage in the United States and every other country is based squarely on the Communist Party. The Party is the soil in which the espionage apparatus grows. The apparatus places its chief reliance on individuals who are either formal Party members, ideological Communists, Communist sympathizers or "fellow travelers". These people function as agents, sources of information, mail drops, couriers, "talent spotters" and in all the other roles of Soviet espionage. Great pains are taken to give the impression that the espionage apparatus has no connection with the Party. Party members selected for espionage are dropped from the rolls, and non-members are instructed to take no part in open Party activities.

Former C.P. Head

~~CONFIDENTIAL~~

U.S.

Duplicate copy

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EVC

Sometimes, non-party mercenaries are recruited as agents by means of cash payments or blackmail. These mercenaries, or chuzhoi, as the Russians call them, are looked upon with distrust and do not play a central part in Soviet plans. Essentially, the Party and Soviet espionage are not separate entities, but different aspects of the same creature. They are connected at the highest and lowest levels. For example, according to sworn testimony, Earl Browder, former head of the Communist Party of the United States, functioned for years as a "talent spotter" for the Soviet espionage network.

Legal and Illegal Networks

The two major organs of Soviet Intelligence are the GRU, or military intelligence and the GB, the state security agency responsible for political intelligence. In its organization and activities, the GRU is not unlike military intelligence departments of other countries. It is responsible for espionage involving our armed forces, mobilization plans and new weapons. The GB is responsible for information regarding pro-Soviet and anti-Soviet trends, agreements and secret treaties. In practice, the fields of activity of the two organs have always overlapped and jurisdiction has not been precisely defined. For example, Alger Hiss, in a position to furnish top-drawer political intelligence, reported to the GRU. In addition to its other duties, the GB has always had the right to "screen" all other Soviet agencies, including the GRU, and to recruit informers from among their personnel. A great deal of rivalry and antagonism exists between the GRU and the GB.

The Soviet espionage structure itself is composed of "networks", some operated by the GRU and others by the GB. The networks are divided into so-called "legal" and "illegal" networks. A "legal" network is headed by a Soviet official who has entered the target country as a legal representative of the U.S.S.R. An "illegal" network is headed by a Soviet "Resident" who has entered the target country in an illegal, clandestine way.

The problem of entering the United States illegally presents little difficulty to the espionage agent. Network members travel in and out rather freely, usually on forged or altered passports or passports obtained under false pretenses.

These false papers are known in spy circles as a "collection". They are also described as "documentation". Our Mexican and Canadian borders are very easy to cross, even without "documentation", as anyone who has traveled to either of these countries knows.

Spies Unlimited

One of the prime characteristics of Russian intelligence is that stress is placed on mass organization. This is not an innovation brought in by the Communists. It has always been so. During World War I, the Czar was spending \$2,000,000 a month on espionage. In the 1930's, when Germany was the main target of Soviet espionage, in one year over 1,000 cases of espionage against German industry were uncovered.



ALGER HISS GREETING PRESIDENT TRUMAN,
SAN FRANCISCO U.N. CONFERENCE, 1945
Calif.

md

A spy ring of 20 people was uncovered in the I. G. Farben plant alone. According to Whittaker Chambers, he personally knew of 75 agents operating in the Washington, D. C. area in 1936 and 1937. Colonel Ismail Ege, who had worked with military intelligence in Moscow and who defected in 1942, estimated that a minimum of 25 networks were operating in the U. S. during the first year of World War II. According to Igor Gouzenko, the Soviet code clerk who defected from the Soviet Embassy in Ottawa in 1945, there were then "thousands" of agents operating against the United States. In 1953, William H. Foley, chief of the Internal Security Division, reported that 766 espionage cases were being investigated at that time. While only Moscow has firm figures in this area, a projection based on what is known of past Soviet activity would indicate that the number of Soviet agents presently in the U.S. runs well up into the thousands.

A Centralized Conspiracy

Another characteristic of Soviet espionage is the great emphasis placed on conspiratorial techniques. The networks are set up so people in the know are kept to a minimum. Generally, the head of a particular network will have four or five sub-agents or "cut-outs" to contact his sources for him. The sources will not know the sub-agents and the sub-agents will not know the true identity or the home address of the head of the network. If a member of the network defects, he thus finds it very difficult to implicate anyone else. Many of the terms used in the Soviet espionage system are borrowed from underground terms which originated in the days of the Czar. A safe apartment or meeting place is called a "yavka". A hiding place for messages is often referred to as a "dubok". A meeting with another agent is known as a "treff". A short wave transmitter is referred to as a "music box". A cover company or an organization which is set up to cover espionage activity is known as a "roof". A passport is called a "shoe" and a person who produces false passports is known as a "cobbler". A person who is engaged in Soviet espionage is described as "in the net". He is also described as "one of ours".

The Soviet Intelligence System is very much centralized. Meeting places and hiding places for messages must be approved by Moscow, and Moscow often arranges the recognition signals for "treffs". Contrary to fiction, spies do not generally use lonely, obscure haunted houses for meeting places. They prefer to meet in the cover of a crowd or in a movie or public place. The "tasks" for each particular network are decided on in Moscow and conveyed down through the chain of command to the "source". The "source" hands over his information at a "treff", and is given his next task.

The Organization Man

The world of Soviet espionage, from the agent's viewpoint, is incredibly boring, bleak and dreary. The individual is a cog in a vast, inhuman organization. He spends hours killing time in cheap movies, or waiting on street corners in strange towns. Conspiracy, as Whittaker Chambers says, is a dull job: "Its mysteries quickly become a bore, its secrecy a burden and its involved way of doing things a nuisance. Its object is never to provide excitement, but to avoid it. Thrills mean that something has gone wrong. The mysterious character of underground work is merely a tedious daily labor to keep thrills from happening."

Many agents who joined the network for ideological reasons find the cold brutality and lack of ideals of their Russian masters hard to take. A prime example of this was Ignace Reiss, a top Communist agent in Europe who became dissatisfied during the period of the purge trials in Russia. Reiss directed a famous letter to Stalin denouncing the purges in which he stated: "My guilt is great, but I shall try to make up for it, to make up for it quickly and ease my conscience . . . He who keeps silent at this hour becomes an accomplice of Stalin, and a traitor to the cause of the working class and of socialism . . ." Reiss was trapped near Lausanne, Switzerland and machine gunned.

USSR, FRANCE

Contrary to popular belief, most spies are not well paid. Rewards are usually of the token variety - an increase in rank, a medal such as the Order of the Red Banner, or a promise of better things to come. One of the weaknesses of Soviet espionage in the U.S. is that agents often defect and seek to lead ordinary lives.

Communication

One of the main problems of any espionage network is communication with the homeland. The safest method of communication is the diplomatic pouch, which may be available if the "network" has some contact with the "legal" Soviet representative. Couriers occupy a central position as a means of communication. The messages they carry are in code, decipherable only by the sender and Moscow. Messages sent in code via the general cable facilities are another favorite method of communication. The mails are also used to transmit secret messages. In the old days, great use was made of secret ink letters. The secret inks have largely been replaced by micro-photography. Bits of microfilm, which when blown up become entire pages, are sent through the mail under stamps, in the bindings of books, and otherwise ingeniously concealed. If necessary, the process of photographic reduction can be continued until a page of text becomes a dot the size of the head of a pin. This is called a micro-dot, and is extremely difficult to detect.

Today, some of the burdens of communication have been taken over by short-wave radio. In the last war, many radio operators were located through the use of direction-finding equipment. A device now exists that makes direction-finding useless. This device, known as a pulse transmitter, operates by means of a punched tape. The entire message scheduled for transmission, possibly 45 minutes to an hour in length, is cut into a special roll of tape. The transmitter is then put on the air, and the tape run thru a special "head" at a very high speed. The entire message can be transmitted in a space of several minutes, and sounds like a burst of static. Counter-espionage forces will have insufficient time to bring direction-finding equipment to bear to obtain a "fix" on the transmitter. Indeed, radio monitors may be unaware that transmissions are taking place.

While short-wave radio is a great aid to "networks" in communicating with Russia, it is an even greater boon to the espionage "Center" in Moscow as a means of directing its agents. A very powerful radio station in the Soviet Union is responsible for what are known as the "allo messages", so-called because the station often precedes its messages with the words "allo", "allo", "allo". (Hello?) The station broadcasts long series of five digit numbers. The radio operator

for each network has a schedule of wavelengths and broadcast times for messages meant for his group. Rudolph Ivanovich Abel, a GB colonel arrested by the FBI in 1957, had a Hallicräfter short-wave receiver set up in his room when apprehended. He attempted to conceal his schedule of broadcasts in a hollowed-out yellow pencil which he dropped into a waste basket. His cipher pad, used in coding messages, was found inside a hollow sanding block.

The Proof of the Pudding

To a large extent, the U.S.S.R. fought its war against Germany on intelligence information. Particularly vital information was forwarded through a Soviet network in Switzerland. The source of the information was called "Lucy", short for Lucerne, Switzerland. "Lucy" was actually a man named Rudolf Rosseler, who evidently had contacts in the German high command.

"Lucy" provided Moscow with an up-to-date and day-to-day order of battle of the German forces in the East. Not only did he provide information on the troop dispositions, he also produced equally good information from the headquarters of the Luftwaffe and the German admiralty. In August, 1942, information was transmitted by Lucy that the Germans were going to mount a major offensive at Stalingrad within three months. Other information transmitted to Russia was the decision of the German high command to encircle Leningrad rather than to occupy it; figures on production of synthetic fuels; the size of the German air force and figures on monthly aircraft production; the raw material situation in Germany; serial production of aircraft in occupied countries; German paratroop losses on Crete and the disposition of the German Air Force on the Eastern Front.

According to J. Edgar Hoover, some of the major targets of Soviet espionage in the United States are as follows: 1) Scientific research and development, with particular attention to atomic energy, missiles, radar defense, electronics and aeronautics. 2) The strength, deployment, training methods, strategy and tactics of the armed forces of the United States, together with ordinance, weapons and military equipment. 3) The intelligence and counter-intelligence agencies of the United States and the possibilities for the penetration of these agencies. 4) International relations of the United States. 5) Weaknesses in American public and private life that can be exploited for intelligence and propaganda purposes. 6) Anti-Soviet political opposition groups, refugees from the Soviet Union and satellite countries, and nationality groups in the United States.

Weaknesses

The many successes of the Soviet espionage system add up to a frightening picture. Like any other organization, however, the Soviet intelligence apparatus has its weaknesses. The first weak point grows out of a strong point, the apparatus is based on the Communist Party and depends on the Communist Party in large degree for its information. The typical agent thus carries an identifiable "birthmark": participation in Communist activity. Restrictive measures and security screening will minimize the ability of the Party to obtain industrial and other secrets. Another weak point is extreme centralization. Most decisions must be made in Moscow, four or five thousand miles

away from whatever is going on. Needless to say, some of the off-the-scene decisions of Moscow are ridiculous. Another weak point of the Soviet espionage network is its complete neglect of the human factor. The network shows no gratitude for services rendered and is extremely cold and callous in dealing with its people. This results in a great many defections and a great many agents simply drop out of sight and refuse to work. Another weak point is the extreme Communist bias in the interpretation of events and the poor evaluation of some material furnished. For instance, Stalin signed a non-aggression pact with Hitler because he thought the capitalistic countries, France and England, would never attack their fellow capitalist country, Germany. This proved to be a mistake. In Yugoslavia, based on a Soviet intelligence appreciation of the situation, the Communists made a nationwide appeal to all true Communists to arise and overthrow Tito. This simply resulted in the solidification of Yugoslavia behind Tito and against Russia. Another weak point in the apparatus is the great size of the organization. This has resulted in a certain lack of efficiency. Another weakness is the willingness of the rank-and-file to tell the Director in Moscow what he wants to hear. Agents tend to parrot the Communist Party line in the fear that they would be considered disloyal if they gave the real story.

There is no easy answer to Soviet espionage. Some measures that would tend to decrease its effectiveness are rigid control over Soviet diplomats in the United States; continued security measures against the Communist Party; strict controls on immigration and a demand for better documentation from aliens entering the U.S.; better passport control, perhaps coupled with a fingerprinting system and better protection and support for people defecting from Soviet networks.

Since any intelligence system is the reflection of the cultural and political forces of the nation from which it springs, it must, in the end, prove inferior to and recede before forces based on a higher conception. Until that happens, however, vigilance is the price of safety. We must take the strongest possible measures against this creature of Soviet aggression to prevent what the Soviets call "The World October", the seizure of world dominion by the U.S.S.R.

Sincerely,

Jack E. Ison

Jack E. Ison
Operating Director

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100-425828-41

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. D. J. Parsons

FROM : Mr. A. H. Belmont

SUBJECT: AMERICAN SECURITY COUNCIL
MISCELLANEOUS INFORMATION CONCERNING (SECURITY)

DATE 12-1-60

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3/23/67 BY SP6619P

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Tolson _____
 Mohr _____
 Parsons _____
 Belmont _____
 Callahan _____
 DeLoach _____
 Malone _____
 McGuire _____
 Rosen _____
 Tamm _____
 Trotter _____
 W.C. Sullivan _____
 Tele. Room _____
 Ingram _____
 Andy _____

On the afternoon of December 1, Mr. Russell White, Security Coordinator for General Electric called from Schenectady. He said he had just returned from Chicago where he had attended an executive committee meeting of the American Security Council (ASC). This is the organization headed by former agent John Fisher of Sears Roebuck. It has a mass of subversive files and conducts name checks for its member industrial organizations. There are about 1,700 industrial plants now belonging to the society. White is a Vice President of this council and Kenneth Piper, former Bureau Agent now with Motorola, also is Vice President. Mr. White noted that the activities of the ASC are apparently being felt by the communists inasmuch as communist leader, Sam Kushner of Chicago, has written a blast against the council in the November 27 issue of "The Worker," copy of article attached.

Mr. White also said that the film on House Committee on Un-American Activities (HCUA), "Operation Abolition" which depicts the riots against HCUA hearings in San Francisco, has had a terrific impact on management within industry. He said that the film which runs about 45 minutes is too long and consequently a shortened version is being prepared cutting out the talks of the congressmen. He said there is a rumor going around that the Director may prepare a preface to this film and if this is so, White will hold off purchasing copies of this film until the Director has prepared this preface.

I told White that I knew of no plan on the part of the Director to make a preface for this film. White indicated that General Electric would buy several copies of this film for showing in the General Electric plants.

White said that he had also heard a rumor that the communists are putting out a film based on the same HCUA hearings but are, of

Enclosure

AHB:klh 12-1-1960

57 DEK (5) 21 1960

1 - Mr. Parsons

1 - Mr. Belmont

1 - Mr. DeLoach

1 - Mr. Baumgardner

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Memorandum A. H. Belmont to Mr. D. J. Parsons
Re: American Security Council
Miscellaneous Information Concerning (Security)

course, slanting it in exactly the opposite direction from the current film. White said he had no specifics on this.

ACTION:

Inasmuch as the film taken of these riots was taken for the most part by the television station in San Francisco, we are having our San Francisco Office check to see whether there is any indication that the communists are preparing their own version of these riots. We are also alerting our New York Office to check on this through our informant coverage in New York.

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AIRTEL SENT SAN FRANCISCO + NEW YORK 12/2/60
CAPTIONED "COMMUNIST AGITATION DIRECTED AT HCUA
HEARINGS, SAN FRANCISCO, CACIF, MAY 12-14, 1960"
(Bulfile 61-7580)

WGS

An Exclusive Report on the Midwest's Most Thriving "Business":

'Secret' Big Business Blacklist Expands: U.S. Steel, GE Join Up



SCENE in the American Security Council offices at 206 W. Monroe St., Chicago. The Council boasts these files put the finger on 1,500,000 "subversives."

By SAM KUSHNER

CHICAGO.—With growing unemployment and speedup, big business is secretly — and rapidly — bringing into play an old weapon, the industrial blacklist.

In the two years since The Worker exposed the blacklist activities of the American Security Council, 205 W. Monroe Street, in Chicago, this organization has expanded in size and influence. It now has among its top officers representatives of General Electric and U.S. Steel, and boasts that it has a current card index of 1,500,000 in its secret files, and that it has established overseas operations.

* If one accepts the U. S. government figure of 70,000,000 in the working force, the Security Council's boast would mean that one of every 50 gainfully employed is on the "subversive" list.

Documents which have become available to The Worker reveal the expanding nature of the ASC. On May 26, 1958, Charles S. Craigille, president of Belden Manufacturing Co., Chicago, and a member of the ASC's Senior Advisory Board, wrote to a fellow businessman:

"At the present time there are 150 companies supporting the Council on an annual membership basis."

On Nov. 10, 1960, Robert Galvin, president of the Motorola Co. of Chicago, wrote to a fellow businessman (see photostat of

"It (the American security Council) has more than doubled in size this year. We plan to have over 1,300 by the end of the year."

The American Security Council has declared that it started 1960 with 500 members and that its goal is to enlist 10,000 corporations.

MAIL Galvin, in his letter, says the ASC "is the largest organization of its kind."

Business has a broad interpretation of the word "subversive" or "red," was revealed during the LaFollette Senate Committee hearings, at which Mr. Rosetter, General Manager and vice-president of the U. S. Rubber Reclaiming Co., was asked why he had enlisted the aid of labor spies in combatting unionization efforts.

TOTUS. He replied, "My impression was that that was a red organization."***

There is no reason to believe that big business has basically
(Continued on Page MW-4)

10. The following table shows the number of hours worked by each employee.

Tolson _____
Mohr _____
Parsons _____
Belmont _____
Callahan _____
DeLoach _____
Malone _____
McGuire _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
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THE WORKER

11-27-60

"Secret" Big Business Blacklist Grows

(Continued from Page MW-1)

changed its mind on this score. Every militant is a "red" in the eyes of the monopolists. How else can one account for the 1,500,000 names in the so-called subversive file.

J. EDGAR HOOVER AIDE ADDED

Not only has the blacklist agency increased its membership more than sixfold in the past few years, but it has also underscored its boast that the majority of its agents are former FBI agents, by adding D. Milton Ladd to its planning committee.

Ladd, until his retirement from the FBI, was an assistant to J. Edgar Hoover.

It is however in the list of officers that the most important change in the ASC is to be noted. Two years ago the list included only three top officials, John M. Fisher, head of the Sears, Roebuck security department, president; Kenneth M. Piper, of Motorola Co., vice president and Cyril W. Hooper, of Stewart Warner Corp., secretary-treasurer.

Robert J. Wilson, former Chicago-based FBI agent, was listed as the operating director.

Now the ASC includes among its three vice presidents Stephen L. Donchess, of U. S. Steel, and Russell E. White, of GE.

Fisher is now ASC chairman and Piper has become president, with Hooper still secretary-treasurer.

Business has been so good that instead one "operating director," as in 1958, ASC it now lists three staff officials.

Jack E. Ison is now operating director, William K. Lambe the official research director and Lee R. Pennington the Washington representative.

The American Security Council bluntly states in its brochure that "a subversive arsenal of Communist organizations is working to weaken our will to resist, confuse us, PROMOTE CLASS WARFARE, AND OTHERWISE DISORGANIZE OUR SOCIETY." (Emphasis mine—SK).

By adding the "class warfare" and "disorganization of society" phrases, the ASC more clearly enunciates its real program.

Tolson	_____
Mohr	_____
Parsons	_____
Belmont	_____
Callahan	_____
DeLoach	_____
Malone	_____
McGuire	_____
Rosen	_____
Tamm	_____
Trotter	_____
W.C. Sullivan	_____
Tele. Room	_____
Ingram	_____
Gandy	_____

The Washington Post and	_____
Times Herald	_____
The Washington Daily News	_____
The Evening Star	_____
New York Herald Tribune	_____
New York Journal-American	_____
New York Mirror	_____
New York Daily News	_____
New York Post	_____
The New York Times	_____
The Worker	_____
The New Leader	_____
The Wall Street Journal	_____
Date	_____

2042

THE FIRST NATIONAL BANK



EDEN, SOUTH DAKOTA
December 15, 1960

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP7mac/c

Federal Bureau Of Investigation
Justice Department
J. Edgar Hoover, National Director
Washington, D.C.

b6
b7C

Dear Mr. Hoover:

We have recently been solicited to contribute to the American Security Council. They present themselves to be an anti-Communist organization, dedicated to oppose everything that is Communistic in every way. They state that editorials in the Daily Worker are highly critical of them and that is proof that their work thus far has effective.

Before I decide to join this organization, I would like to have your opinion of this organization. Can an organization such as this, if dedicated to its cause, be effective in fighting Communism and subversion.

I would appreciate it very much, if you would comment on the above matter.

The First National Bank
Eden, South Dakota

mail
ack
12-22-60
SAW: jfca

REC-39

© DEC 23 1960

EX-113

100-425828-43
CORRESPONDENCE

REC-39

gm

100-425828-43

December 22, 1960

EX-113

The First National Bank
Eden, South Dakota

b6
b7C

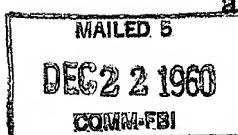
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/1/88 BY SP/macl

Dear [redacted]

Your letter of December 15, 1960, has been received, and the interest which prompted your writing is indeed appreciated.

DEC 22 5 40 PM '60
FBI-READING ROOM
B

Although I would like to be of service, I am unable to answer your specific inquiry since information in FBI files is confidential and available for official use only through a regulation of the Department of Justice. This Bureau is strictly an investigative agency and does not furnish evaluations or comments relative to the character or integrity of any individual, publication or organization. I can advise you, however, that the American Security Council has not been the subject of an investigation by this Bureau. This should not be construed as a clearance or nonclearance of this organization by the FBI. Also, it has no connection whatsoever with the FBI nor does it have access to our information.



Sincerely yours,

Edgar Hoover

John Edgar Hoover
Director

Tolson _____
Mohr _____
Parsons _____
Belmont _____
Callahan _____
DeLoach _____
Malone _____
McGuire _____
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan
Tele. Room
Ingram _____
Gandy _____

NOTE: Correspondent is not identifiable in Bufiles. The American Security Council is an organization financed and operated by private industry as a national research and information center on subversive activities for use of its members. Information developed is made available for a fee to member companies and other organizations or individuals deemed to be qualified by the ASC. The president and

(NOTE CONT. NEXT PAGE) *for QP*
50 DEC 20 1960 TELETYPE UNIT SAW:jka (3)



12-22-60

b6
b7C

NOTE: (cont.)

vice president are former Special Agents of the FBI. The ASC sponsors Fidelifax, Inc., a nationwide personnel investigating organization with offices in 32 cities, each of which is allegedly headed by a former Bureau Agent. Replies of this nature have been forwarded in the past.

UNITED STATES GOVERNMENT

as per APW
Memorandum

TO : Mr. A. H. Belmont

DATE: December 27, 1960

FROM : Mr. F. J. Baumgardner *fjbe*SUBJECT: *AMERICAN SECURITY COUNCIL*
MISCELLANEOUS INFORMATION CONCERNING
(INTERNAL SECURITY)

Tolson _____
 Mohr _____
 Parsons Belmont
 Callahan _____
 DeLoach _____
 Malone _____
 McGuire _____
 Rosen _____
 Tamm _____
 Trotter _____
 W.C. Sullivan _____
 Tele. Room _____
 Ingraham _____
 Gandy _____

Re memorandum Belmont to Parsons dated 12-1-60, same caption, which contains information furnished on that date by Russell White, Vice-President of the American Security Council. White commented that the film "Operation Abolition" has made a very favorable impression on industrial management. He mentioned having heard a rumor to the effect that the communists are producing a film based on the demonstrations which occurred at the San Francisco hearings of the House Committee on Un-American Activities (HCUA) and it would be slanted in the opposite direction of "Operation Abolition."

The film "Operation Abolition" which deals with the communist influence in connection with the student demonstrations at the HCUA hearings in San Francisco last May, was prepared by the Coalition of Patriotic Societies, with the cooperation of the HCUA.

In view of White's remarks, our San Francisco and New York Offices were instructed to obtain all available information relative to the producing of a film by the Communist Party or any other organization concerning the demonstrations which occurred at the HCUA hearings in San Francisco.

Our San Francisco Office has advised that the Bay Area Students Committee for the Abolition of the HCUA had planned to produce a film presenting an "accurate" picture of the demonstrations at the San Francisco hearings but abandoned its plans due to the realization that the cost of producing such a film would be prohibitive.

- 1 - Mr. Parsons
- 1 - Mr. Belmont
- 1 - Mr. Baumgardner
- 1 - Mr. Shaw
- 1 - 61-7582 (HCUA)

WGS:gjk/f1w

(6)

63 JAN 9 1961

REC-43

100-42582844

63,581 JAN 4 1961
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
 DATE 3/25/16 BY 556 RFB
 7/11/88 Pimacke

Memorandum to Mr. Belmont
Re: American Security Council

The Bay Area Students Committee for the Abolition of the HCUA is the subject of a security investigation under the provisions of the Internal Security Act of 1950 to determine whether it is communist infiltrated, dominated, or controlled.

Appropriate security informants in our San Francisco and New York Offices have been contacted and could furnish no information indicating any possible production of a film by the Communist Party or any other organization concerning the HCUA student demonstrations. These informants were alerted to immediately advise of any information they receive relative to plans of any individual or organization to produce such a film.

ACTION:

For information.

[Handwritten signature]

RA
ASC

COUNCIL NOTES

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY SP7mac/kc

December 20, 1960

Mr. Tols	✓
Mr. Zohr	✓
Mr. Parsons	✓
Mr. Belmont	✓
Mr. Callahan	✓
Mr. DeLoach	✓
Mr. Malone	✓
Mr. McGuire	✓
Mr. Rosen	✓
Mr. Tamm	✓
Mr. Trotter	✓
Mr. W.C. Sullivan	✓
Tele. Room	✓
Mr. Ingram	✓
Miss Gandy	✓
	✓
	✓
	✓

On October 18, 1960, we told you of the current campaign of slander, personal abuse and vilification being waged against the House Committee on Un-American Activities. We advised that it was anticipated that a motion would be introduced to abolish the Committee on the opening day of the 87th Congress. We asked that you write the candidates for the House of Representatives in your Congressional District affirming your support of the activities of the Committee and asking the candidate to express publicly his position on this question. We promised that if you sent us copies of the replies we would "keep score" and advise you of the results. Based on the literally hundreds of replies we have received and on positions taken by the candidates in the Congressional Record and in the public press, here is that score:

1. THESE REPRESENTATIVES TAKE A POSITION AGAINST THE COMMITTEE:

James Roosevelt - Democrat, California
Robert N. C. Nix - Democrat, Pennsylvania
Roy Wier - Democrat, Minnesota
William H. Meyer - Democrat, Vermont
Emanuel Celler - Democrat, New York
Charles O. Porter - Democrat, Oregon

We have a letter from Herman Toll, Democrat, Pennsylvania, in which he states that in his opinion "this Committee would be better operated under the jurisdiction of the Judiciary Committee of the House. In this way, its work can be continued properly". We note that Emanuel Celler is the Chairman of the Judiciary Committee.

Adam Clayton Powell of New York, in a mind-twisting bit of rhetoric which appeared in the Congressional Record, stated that "the Committee has done a laudable job in quarantining Communists, although I think that in many instances its publicity has been unwise and regrettable in that it has ruined innocent men and women."

Quentin Burdick, Democrat, North Dakota, has taken a position against the Committee. In a special election held in July, 1960, Burdick took the Senate seat which was vacated upon the death of William Langer.

Chester Bowles, former Representative from Connecticut, takes a position against the Committee but did not stand for re-election. He has since been appointed Assistant Secretary of State.

100-425828-

NOT RECORDED

12 JAN 11 1961

ENCLOSURE

AMERICAN SECURITY COUNCIL

SENT DIRECTOR
62 JAN 12 1961

205 WEST MONROE STREET • CHICAGO 6, ILLINOIS

Of the above individuals standing for re-election, Roy Wier, William H. Meyer, and Charles O. Porter were defeated.

A number of unsuccessful candidates for the House of Representatives also took positions against the HCUA. Two of the better known candidates were Jerry Pacht of California and Tyler Thompson of Illinois. Al Miele, defeated Republican candidate from New Jersey, stated that although he did not advocate abolishing the Committee, he felt that certain of Chairman Walter's activities are improper and that Walter should be removed.

2. REPRESENTATIVES CONSIDERED GOOD BETS TO VOTE AGAINST COMMITTEE:

We have been reliably advised that the following Representatives, while not taking a strong public position against the Committee, are good bets to vote against it in a showdown:

George A. Kasem - Democrat, California
Byron L. Johnson - Democrat, Colorado
John F. Shelley - Democrat, California
Barratt O' Hara - Democrat, Illinois
John A. Blatnik - Democrat, Minnesota
Frank Thompson, Jr. - Democrat, New Jersey
Edith Green - Democrat, Oregon
Abraham J. Multer - Democrat, New York

We have a letter from John S. Monagan, Democrat, Connecticut, in which he states that "I voted funds for the Un-American Activities Committee last time. I probably would do it again although I have reservations about some of the free-wheeling activities of the Committee."

3. CONCLUSIONS

The vast majority of replies were heartily in favor of the Committee. It would appear that an attempt to abolish the Committee would be resoundingly defeated. It is dismaying, however, to find a number of highly placed individuals willing to suffocate attempts to investigate subversion. It is apparent that the Communists have gained ground in their persistent campaign to create a climate in which condemnation of traitorous activity is unpopular, and to instill the idea that if a criminal conspiracy wishes to enslave you, it is only sporting, Old Chap, to give it every chance.

Articles paving the way for the January motion to abolish the Committee are already appearing in certain newspapers. The Washington Post is again spearheading this attack. We enclose for your edification a cartoon by the Post's hatchet man, Herblock. We need not accuse Herblock of taking an objective, well-thought-out position on this matter, he admits that he did not see the film mentioned in the cartoon before completing the drawing. Most of the activity against the Committee is based on just such mindless, unresearched behavior.

The response to our request for letters was tremendous. In one case, an executive of a member company contacted over 200 other people on this matter. Thank you for your cooperation in making this campaign a success.

Sincerely,
Jack E. Ison

WASH. POST (A-18).

11-30-60

Cutting-Room Floor

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY *gmechle*



100-425828 -
ENCLOSURE

[REDACTED] [REDACTED] AMARILLO, TEXAS

b6
b7C

PEDODONTICS

BY APPOINTMENT ONLY

DRAKE 4-4011

6 January 1961

Mr. J. Edgar Hoover, Director
Federal Bureau of Investigation
Washington, D.C.

Dear Sir:

Enclosed find clipping of poster. I would like to have 200 of these posters. Please send COD for charges involved.

I have received literature from the American Security Council, 205 West Monroe, Chicago 6, Illinois. If they are as good a group as they sound like, then I want to send them my money and join. However, so many people are forming organizations of the so-called anti-Communist, anti-Statism persuasion that it is confusing. Is it possible for you to give any information about these people? Are they honestly trying to do a job?

A great many people in these parts are thoroughly alarmed by the threat of the Communist Conspiracy. We scurry here and there, joining this group and that one. We look at movies and film strips by the score. We listen to tapes by all kinds of people. But --- we don't seem to be doing anything constructive. I know it is still closed season on Communists, if I could recognize one, so I can't take the trusty musket and shoot the local ones. However, there must be some way that the average American citizen can do something besides waste hours listening to tapes or seeing movies. How can the Joe Blow of Main Street, U.S.A. help fight Communism in a constructive way?

K
b6
b7C

Yours truly,

[REDACTED]

REC-16

100-72582-45

EX-12

JAN 16 1961

2 ENCLOSURE
Ann.
1-13-61
SAW:ya

JAN
CORRESPONDENCE

ALL INFORMATION CONTAINED
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DATE 7/11/88 BY *sp1mac/SC*

ENCLOSURE

100-425828-45

WHAT YOU CAN DO TO FIGHT COMMUNISM

AND PRESERVE THE HERITAGE FOR OUR NATION

- A test yourself—learn the true nature and tactics of communism.
- M ake civic programs to improve your community.
- E xercise your right to vote; elect representatives of integrity.
- I expect human dignity; communism and individual rights cannot coexist.
- C inform yourself; know your country—its history, traditions, and heritage.
- A combat public sympathy toward communism; indifference can be fatal when national survival is at stake.
- C tack bigotry and prejudice wherever they appear; justice for all is the bulwark of democracy.

J. Edgar Hoover

DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

PATRIOTISM IS EVERYBODY'S JOB!

[redacted] [redacted] AMARILLO, TEXAS

b6
b7C

PEDODONTICS

6 January 1960

Mr. J. Edgar Hoover
Federal Bureau of Investigation
Washington, D.C.

Dear Sir:

Enclosed find clipping of poster. I would like to have 200 of these for distribution in local stores. Please send COD for charges involved.

I have received literature from the American Security Council, 205 West Monroe, Chicago 6, Illinois. They make it sound wonderful. If it has the files on the Statists and Communists they claim to have, then I wish to join with them. However, it seems that these organizations are springing up from under rocks so that some smart fellow can take advantage of the Americanists patriotism to make a fast dollar. Is it possible for you to give any information about these people? Are they honestly trying to do a job?

A great many people are thou

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DATE 7/11/88 BY SP2m/cb

H

January 13, 1961

EX-134
REC-16

100-425828-45
[redacted]
Amarillo, Texas

Dear [redacted]:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/02 BY SP1mac/HC

b6
b7C

Your letter of January 6, 1961, with enclosures, has been received. In response to your request, it is a pleasure to forward, under separate cover, 200 copies of the poster you mentioned.

Although I would like to be of assistance, I am unable to answer your specific inquiry since information in FBI files is confidential and available for official use only. This Bureau is strictly an investigative agency and does not furnish evaluations or comments relative to the character or integrity of any individual, publication or organization. I can advise you, however, that the American Security Council has not been the subject of an investigation by this Bureau, but this should not be construed as a clearance or nonclearance by the FBI. Also, it has no connection whatsoever with the FBI nor does it have access to our information.

Jan 13 12 60 PM
1961

RECD-READING ROOM
FBI

MAILED 9
JAN 13 1961
COMM-FBI

I certainly share your concern regarding the communist menace, and I am enclosing some material which may be of aid to you. It is vitally important for everyone to learn the true nature of this threat so that they can resist being duped by it. I hope this material will answer your questions.

KCC/6
Sincerely yours,
J. Edgar Hoover

SAW

Tolson _____ 1/13 1 53 AM '61
Mohr _____
Parsons _____
Belmont _____
Callahan _____
DeLoach _____
Malone _____
McGuire _____ 1/13 1 [redacted] - Room 4235
Rosen _____
Tamm _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Ingram _____
Gandy _____ 1/13 MAIL ROOM TELETYPE UNIT

USC MATERIAL (See next page)

(52 JAN 19 1961
ENCLOSURES (5) (Listed next page)

(SEE NOTE NEXT PAGE)

SAW:jka/jka (5) JKA
135

Rene
T.H.A.

[redacted] 1-13-61

b6
b7C

Enclosures (5)

17th National Conv. & Intro. 3-60 LEB, CP USA
Communist Party, USA
Struggle on a New Plane
Where do we stand today with Communism in the U. S. ?
Expose of Soviet Espionage

USC MATERIAL

200 copies of What You Can Do To Fight Communism

NOTE: [redacted] is not identifiable in Bufiles. The American Security Council is an organization financed and operated by private industry as a national research and information center on subversive activities for use of its members. Information developed is made available for a fee to member companies and other organizations or individuals deemed to be qualified by the ASC. The president and vice president are former Special Agents of the FBI. The ASC sponsors Fidelifax, Inc., a nationwide personnel investigating organization with offices in 32 cities, each of which is allegedly headed by a former Bureau Agent. Replies of this nature have been forwarded in the past.

REC-57

100-42582 8-46

January 17, 1961

b6
b7C

JAN 17
REC'D-READING ROOM
B
1961 PH

[Redacted]
San Francisco 14, California

Dear [Redacted]

cc:

Your letter of January 9, 1961, has been received. I am most appreciative of your interest in writing, and it was good of you to comment so favorably concerning my speech before The American Legion on October 18.

While I would like to be of service to you, the FBI is strictly an investigative agency of the Federal Government and does not furnish evaluations or comments concerning the character or integrity of any individual, publication or organization. I can advise you, however, that the American Security Council has not been the subject of an investigation by this Bureau. This should not be construed as a clearance or nonclearance of this organization by the FBI.

Your expression of New Year's Greetings was very thoughtful, and may I extend to you my best wishes for a happy and prosperous 1961.

Sincerely yours,
J. Edgar Hoover

REC'D-READING ROOM
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1961 PH

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COMM-FBI
JAN 17 1961

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Gandy _____

NOTE: Bufiles contain no derogatory information regarding correspondent. Our last outgoing to him was on 9/16/60. The American Security Council is an organization financed and operated by private industry as a national research and information center on subversive activities for use of its members. Information developed is made available for a fee to member companies and other organizations or individuals deemed to be qualified by the ASC. The president and vice president are former Special Agents by the FBI. The ASC sponsors Fidelifax, Inc., a nationwide personnel

52 JAN 26 1961

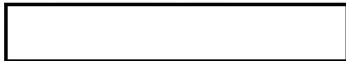
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CONTINUED NEXT PAGE



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1/17/61

NOTE: (Cont'd)

investigating organization with offices in 32 cities, each
of which is allegedly headed by a former Bureau Agent.

January 9, 1961

Mr. J. Edgar Hoover
United States Department of Justice
Federal Bureau of Investigation
Washington 25, D.C.

Dear Mr. Hoover:

I was sent by the American Security Council, which our firm is a member, a transcript of the talk that you gave to the American Legion at Miami Beach, Florida, October 18, 1960.

I thought that your speech was outstanding. My only regret is that every adult in America can't have the chance to read it as I have.

I know that you are a very busy man, but I would appreciate it very much hearing from you if you have any thoughts on the American Security Council.

My sincerest wish for a very healthful new year.

Kindest regards.

Sincerely

WS:gm

REC-57

100-42582 8846

15 JAN 19 1961

SAN FRANCISCO 14, CALIFORNIA

Mr. Tolson
Mr. Mohr
Mr. Parsons
Mr. Belmont
Mr. Callahan
Mr. DeLoach
Mr. Malone
Mr. McGuire
Mr. Resen
Mr. Tamm
Mr. Trotter
Mr. W.C.Sullivan
Tele. Room
Mr. Ingram
Miss Gandy

b6
b7C

JAN 13 1961

JAN 13

JAN 13

ack 1/17/61
CSH/mjs

MM

UNITED STATES

Memorandum

TO : Mr. Parsons

DATE: March 3, 1961

FROM : A. Rosen

SUBJECT: AMERICAN SECURITY COUNCIL (ASC)

On Friday, February 24, 1961, I met with John M. Fisher, Chairman and Chief Executive Officer of the American Security Council (ASC), who is with Sears Roebuck and Company; Jack E. Ison, Operating Director of ASC; and Lee Pennington who is Chief of the Washington Bureau of ASC, all being former Special Agents of the FBI.

This was with further reference to the pamphlet which this organization disseminates to its members and also with reference to arrangements which Lee Pennington is making to distribute to the 1700 members the circulars concerning the book "Masters of Deceit," which will be made available through the Washington Bureau of the ASC (Lee Pennington). It is recalled ASC published a 1961 brochure which made numerous references to the Director and the FBI in its program against Communism.

The meeting in Washington by Fisher and others was for the purpose of getting together with the National Strategy Committee to formulate policy and review accomplishments.

The National Strategy Committee is composed of Lloyd Wright; Lt. Gen. Edward M. Almond; Dr. Stephen Possony; Admiral Arthur W. Radford; Admiral Felix B. Stump; General Maxwell D. Taylor; Rear Admiral Chester C. Ward; and General A. C. Wedemeyer.

Fisher, et al, were anxious to render whatever assistance they could to the FBI and they hoped if at any time they engaged in any activity which did not meet with the FBI's approval that this would be brought to their attention. They were anxious to please the Bureau and were hopeful that the fine relationship which presently existed would continue.

REC-94

Pennington stated that they were working on the proposed circular which would deal solely with the book "Masters of Deceit" and he would make a copy of this available when they had finished its preparation.

MAR 8 1961

57 MAR 15 1961

AR:mpd (4)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP/ma/c

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Evans	_____
Malone	_____
Rosen	_____
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W.C. Sullivan	_____
Tele. Room	_____
Ingram	_____
Gandy	_____

STEWART-WARNER CORPORATION
CHICAGO 14

BENNETT ARCHAMBAULT
CHAIRMAN OF THE BOARD
AND PRESIDENT

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP1mac/HC

February 24, 1961

Mr. Samuel J. Gorlitz
President
Investor Service Securities, Inc.
1823 Jefferson Place, N. W.
Washington, D. C.

Dear Mr. Gorlitz;

In his February 15 letter, General Wood invited you to join the American Security Council. I would like to emphasize the importance of your early affirmative decision.

The average citizen now realizes that we are no longer fighting only for our grandchildren's freedom. We are now fighting for our own freedom also. This realization has brought a tremendous upsurge of public interest and concern. A multitude of small anti-Communist groups are springing up across the country. Established groups are placing more emphasis on the Communist threat to our national security. Dozens of these groups have asked the Council, as the largest organization of its type, for assistance and guidance.

The ASC membership growth has made it possible to begin to assist these anti-Communist groups. The Council has employed a Director of Education and a Field Director for this purpose. This assistance to new and established organizations will be expanded as fast as further membership growth permits. The Council's work with students and other educational activities will also be expanded.

Will you help the American Security Council rise to this opportunity? Please complete the enclosed membership form now and return it to me.

Cordially,

Bennett Archambault

BA/cb
Enc.

J
ENCLOSURE

REC-60

100-425828-48
NOT RECORDED

13 MAR 8 1961

EX 109

3/10
51 MAR 13 1961

Filed
Done 1/8/61

AMERICAN SECURITY COUNCIL

205 West Monroe Street • Chicago 6, Illinois



ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 7/11/88 BY SP/ma/c/fc

Membership Form

We understand that the American Security Council is the means through which businesses are working together for the protection of our country and our free-enterprise system from Communism and other forms of statism. We wish to support the ASC as a subscribing member company.

We agree that all reports furnished us by the American Security Council will be kept strictly confidential and will not be disseminated outside the company without the specific approval of the American Security Council.

Name of Company

Signature of Company Official

Address of Company

Title

Principal Product or Service

Number of Employees

The following official is authorized to act as liaison
between this company and the American Security Council

Name of Official

Title

100-425828-48

COMPANY MEMBERSHIP DUES SCHEDULE

NUMBER OF EMPLOYEES	ANNUAL DUES	NUMBER OF EMPLOYEES	ANNUAL DUES	NUMBER OF EMPLOYEES	ANNUAL DUES
1 - 24	\$ 30.00	500 - 599	\$240.00	1500 - 1999	\$600.00
25 - 49	60.00	600 - 699	300.00	2000 - 2499	660.00
50 - 99	90.00	700 - 799	360.00	2500 - 4999	740.00
100 - 199	120.00	800 - 899	420.00	5000 - 9999	820.00
200 - 399	150.00	900 - 999	480.00	Over - 10,000	900.00
400 - 499	180.00	1000 - 1499	540.00		

The American Security Council is operated by business and industry with the assistance of many patriotic individuals. Annual dues and other forms of assistance to the Council are a business expense. Special services rendered to an individual member company are handled at cost.

ENCLOSURE

REC-81 / 00 - 425828-49

March 21, 1961

Mr. C. W. Vodicka
Treasurer

Plastic Corporation of Chicago
8722 West 47th Street
Lyons, Illinois

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP/ma/c

Dear Mr. Vodicka:

Your letter dated March 13, 1961, has been received.

In response to your request, I am forwarding to you, under separate cover, 500 copies of my series of articles which appeared in "Christianity Today." It is a pleasure to be of service.

Sincerely yours,

John Edgar Hoover
Director

1 - D. C. Morrell

USC - 500 copies of series from "Christianity Today"

MAILED 8

MAR 21 1961
COMM-FBI

Tolson _____
Parsons _____
Mohr _____
Belmont _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Tavel _____
Trotter _____
W.C. Sullivan _____
Tele-Room _____
Ingraham _____
Gandy _____

NOTE: Correspondent is not identifiable in Bufiles. The American Security Council is an organization financed and operated by private industry as a national research and information center on subversive activities for the use of its members. Information developed is furnished for a fee to member companies and other organizations or individuals deemed to be qualified by the ASC. The president and vice president are former Special Agents of the FBI. The ASC sponsors Fedelifax, Inc., a nationwide personnel investigating organization with 56 MAR 27 1961 MAIL ROOM TELETYPE UNIT DCL:bew (5) offices in 32 cities, each of which is allegedly headed by a former Bureau Agent.

X PLASTIC CORPORATION OF CHICAGO

PHONES: BI SHOP 2-1790
LYONS 3-7200

8722 W. 47TH STREET

LYONS, ILLINOIS

MARCH 13, 1961

FEDERAL BUREAU OF INVESTIGATION
9TH & PENNSYLVANIA AVENUE
WASHINGTON, D.C.

ATTENTION: MR. J. EDGAR HOOVER

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/11/88 BY SP1/mw/jl

GENTLEMEN:

OUR COMPANY IS A MEMBER OF THE AMERICAN SECURITY COUNCIL AND I WAS ADVISED BY THEIR CHICAGO OFFICE THAT WE COULD OBTAIN 500 COPIES OF YOUR SERIES ON COMMUNISM CONTAINING THE THREE TITLES -
THE COMMUNIST MENACE - RED GOALS AND
CHRISTIAN IDEALS -
COMMUNIST PROPAGANDA AND THE CHRISTIAN PULPIT -
SOVIET RULE OR CHRISTIAN RENEWAL?

I WOULD LIKE TO PASS THESE OUT AT THE WALTER LUTHERAN HIGH SCHOOL IN MELROSE PARK, ILLINOIS. THIS IS WITH THE APPROVAL OF SEVERAL OF THE TEACHERS WHO ARE IN FAVOR OF THIS PROGRAM.

IF YOU WILL SEND THEM TO OUR COMPANY I WILL SEE THEY ARE DISTRIBUTED PROPERLY.

SINCERELY,

C. W. Vodicka
C. W. VODICKA
TREASURER

CWV/W

100-425828-49

REC-87

RE MAR 22 1961

Mar 13 1961
REC-87
DCV

CORRESPONDENCE

ASC

NEWSLETTER

ALL INFORMATION CONTAINED

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No. 61-3

March 31, 1961

American Security
Council

AN EXERCISE IN DOUBLETHINK

Chicago, Ill K-1
BAUMGARTE

Representatives of 81 Communist Parties met for an extended period of time in Moscow in November 1960. On December 6, 1960, these Parties unanimously adopted a statement determining the fundamental positions of the international Communist movement on the more important issues of our time. One of the central issues discussed at the conference was that of "peaceful co-existence". Said the assembled Communist leaders: "The Communists of all the world uphold peaceful co-existence unanimously and consistently, and battle resolutely for the prevention of war." Before one decides that the lion has decided to lie down with the lamb, it would be wise to ascertain from the official text of the statement the exact meaning of "peaceful co-existence" - Soviet style. To quote from the statement of the 81 Parties: "Peaceful co-existence of countries with different social systems does not mean conciliation of the Socialist and bourgeois ideologies. On the contrary, it implies intensification of the struggle of the working class, of all the Communist Parties, for the triumph of Socialist ideas".

To reduce this Communist word-goulash to plain English, it is necessary to break down and analyze the catch phrase "peaceful co-existence". In the Communist lexicon, the word "peace" means in one context lack of resistance from the non-Communist state while it is being taken over or destroyed. "Peace"

from the Communist point of view may also be taken to mean the temporary use of relatively non-violent means of conflict; that is, propaganda, espionage, "people's revolutions", political warfare, in short, any method suitable for conquest without war. "Peace" is also used to describe the final objective, attainment of Communist world control. In the worldwide Communist Utopia, society would no longer be divided into classes. In the terms Lenin used to describe this dream - this would be the

THE INTERNATIONAL SITUATION AND PEACE

DISCUSSION GUIDE

I. INTRODUCTION

The National Executive Committee of the CPUSA, meeting reviewed the international situation and the struggle for peace of recent developments, and unanimously adopted a resolution on

SECRET COMMUNIST PARTY "DISCUSSION GUIDE"

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EX 104

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society of eternal peace where the state has withered away. Civil administration could be accomplished by female cooks, and gold would be used largely for wash basins and toilets.

There can be no final "peace", then, in the Communist sense until world control has been attained. In the Communist concept co-existence is merely a description of the transitory state of affairs. The Soviet Union as of today is functioning in Asia. The United States exists on the North American continent, and these divergent social systems are existing side by side. In the same sense, the bone "co-exists" with the dog and the hungry child "co-exists" with the hot fudge sundae. Co-existence is a temporary situation and a description of fact. For the time being the Soviets cannot avoid co-existing with us since we are both in existence. The Communists specifically state that they will not co-exist with us one instant longer than is necessary.

Secret Party Document and "Peace"

Lenin said: "For us theory is a basis to enable action to be taken." Now that we understand exactly what the Communists mean by "peaceful co-existence" let us see how this Communist concept is translated from theory to day-to-day political action. To make sure that our home-grown Marxists understand the idea of "peaceful co-existence" and can sell the idea to the American masses, the Communist Party of the United States has put out a secret 5 page "Discussion Guide" entitled "The International Situation and Peace". The secret document explains that in the capitalist countries, "the fear of the masses of people of nuclear war" will make it possible to merchandise the idea of "peace". The "Discussion Guide" instructs that discussions "should be organized on various levels: the state committee meetings, functionaries' meetings, section and club meetings. In addition, lectures and seminars should be organized involving both Party and non-Party forces."

The Discussion Guide declares that to understand the present period in world relationships we must first grasp the changes which have taken place in the world as a consequence of World War II and the post-war developments. According to the Party document, "the main content of our epoch is the transition of capitalism to socialism". The document goes on to make the following points:

- 1.) "Capitalism is no longer dominant in the world, the dominant world force today is socialism."
- 2.) "The present epoch . . . is an epoch of the disintegration of imperialism, of revolutions, of the transition from capitalism to socialism, of the rise, consolidation and victory of the socialist world system."
- 3.) "Wars were inevitable when imperialism was dominant." Now the socialists have the power to force the imperialists "to abandon war and to adopt a policy of 'peaceful co-existence'."

4.) "As socialism grows in strength, within 10 to 15 years it will be possible to abolish war, even though capitalism remains in part of the world."

The secret Party document then goes on to reinforce our analysis of "peaceful co-existence." The document states that the idea that peaceful co-existence is a form of class collaboration with the imperialist is wrong. "Peaceful co-existence means class struggle between the two systems, and the fight for it advances the people's interest." This class struggle is to be carried on "economically, ideologically and politically." The transitory nature of "co-existence" is emphasized in these words: "The possibility of peaceful co-existence arises because, as a result of the uneven development of capitalism, socialism does not triumph in all countries at one time; hence for some time there must be both capitalist and socialist nations. Peaceful co-existence has existed in the past and can be more firmly established today."

The Communist document makes this estimation of the position of the United States in world affairs: The United States has reached the height of its influence and started on the first stage of its decline. Its world prestige is at a low ebb today. A new wave of struggles directed against the United States has developed in South Korea, Turkey, Japan, Cuba, the Congo and other parts of the world. There is sharpening antagonism between the United States and its allies. The document predicts that the United States can be forced to retreat from its present course without a major war.

A Focus on Peace

On the tactical level, Party activity has come to a white-hot focus on peace and disarmament organizations. The word has gone out to form coalitions or "united fronts" with groups which may agree with the Party on a few points. Comrades on every level have been instructed to arrange personal discussions with the leaders of peace organizations. Where possible, joint action between the Communists and other groups will be arranged. Some peace groups will be strengthened and supported by the Party. In every case, Party members will seek to infiltrate, influence and control these organizations, and set up a hue and cry for "peace" at any price. Agitation for a continued nuclear test ban and propaganda activity on the fallout problem are part of the same package. By using our natural desire for peace as an anvil, and the threat of nuclear destruction as a hammer, the Soviet Union hopes to render us thoroughly malleable, and bring us, in that condition, to a succession of conference tables. The deceptive words "peaceful co-existence" are designed to soothe those who might balk along the way.

George Orwell's frightening book, 1984, describes an ultimate totalitarian state, where every function of the masses, including sex, is completely controlled. One of the devices for keeping the people subservient to the ruling class is a system of logic known as "doublethink." "Doublethink" is used to

produce such twisted slogans as "Ignorance is Strength", "Freedom is Slavery" and "War is Peace". "Peaceful co-existence" is precisely the same sort of slogan. It can be compared to a glittering gold coin, which bears the word "AGGRESSION" on one face and the word "SURRENDER" on the other. When the Communists use the term to describe their actions toward us, they are speaking of AGGRESSION, whether by guerrilla warfare, supplying arms, revolution, infiltration, propaganda, espionage or subversion. When they use the term to describe the way we should behave toward them, they are speaking of SURRENDER.

Sincerely,

Jack E. Ison

Jack E. Ison
Operating Director

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March 31, 1961

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Mr. R. F. Krueger
President
Krueger Engineering and Manufacturing
Company
Post Office Box 11286
Houston 16, Texas

April 20, 1961

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Dear Mr. Krueger:

Your letter of April 15, 1961, has been received, and the interest which prompted you to write is appreciated.

While I would like to be of service to you, the FBI is strictly an investigative agency of the Federal Government and does not furnish evaluations or comments concerning the character or integrity of any individual, publication or organization. I can advise you, however, that the American Security Council has not been the subject of an investigation by this Bureau. This should not be construed as a clearance or nonclearance of this organization by the FBI. Also, it has no connection whatsoever with the FBI nor does it have access to information in our files.

Sincerely yours,

J. Edgar Hoover

John Edgar Hoover
Director

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HOUSTON 16, TEXAS

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PHONE HI 2-2537

April 15, 1961

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Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation
Washington, D. C.

Dear Sir:

I am considering joining the American Security Council with main offices at 205 West Monroe Street Chicago 6, Illinois. The organization claims to be dedicated to strengthening our country and free enterprise system and I am wondering if you have any information which would indicate communist infiltration or affiliations of this group.

I thank you in advance for your co-operation in this matter.

Very truly yours,

KRUEGER ENGINEERING & MFG. CO.

R. F. Krueger, President

RFK:LM

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TO: DIRECTOR, FBI
FROM: SAC, CHICAGO (67-832)
SUBJECT: FORMER SA J. ROBERT OLIVER
CHICAGO OFFICE

The Chicago Office has learned that ex-agent OLIVER
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As the Bureau is aware, the ASC is an organization
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through public sources.

JACK E. ISON, former Agent of the NYO, is currently
the operating director of the ASC.

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WASHINGTON REPORT

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Washington, May 5, 1961

WR 61-7

AMERICAN SECURITY COUNCIL

Long before the onset of the latest Cuban crisis, there was a growing body of strategic opinion in Washington that "the only thing that can save the United States is a non-fatal defeat." (WR 61-6, April 17, 1961.)

The recent debacle in Cuba may be the "non-fatal defeat" which will awaken the country. Cuba is widely recognized in the press not only as a defeat, but as a "disaster" for our side. It is called "the American Suez," and "another Hungary." It is widely recognized also as capable of setting the stage for successive defeats totaling the loss of all of Latin America.

Most significant of all, it evoked from the President of the United States this unequivocal declaration: "We intend to profit from this lesson."

Inner circles here, both military and civilian, believe that President Kennedy intensely means this. Evidence is found in the investigations he has already started, under General Maxwell Taylor, Attorney General Robert Kennedy, CIA Director, Allen Dulles, and Admiral Arleigh Burke. There is widespread conviction, however, that although the subjects of these investigations are vital, the President must be willing to dig much deeper than the announced areas of "para-military planning," guerilla warfare forces, and intelligence estimates. Deficiencies will be uncovered in each of these areas -- but even accomplishing a complete cure in each (which must be done but may take years) will not be sufficient to turn the tide from U. S. defeats to U. S. victories.

To profit sufficiently from the lesson of Cuba, President Kennedy will have to face truly basic questions of national policy. Here are the questions, questions so painful that no other President of the United States since World War II has acted on the answers:

What do the Soviet Communists have that we don't have?

What is the basis on which they build victory after victory? Why have we conceded defeat after defeat? What is it that in crisis after major crisis,

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NATIONAL AND INTERNATIONAL DEVELOPMENTS AFFECTING THE NATION'S SECURITY
62 MAY 19 1961

news analysts inevitably sum up the result in these doleful words -- words that fit equally Cuba, Laos, or Hungary:

"Whatever happens, the United States will lose."

Judging from his April 20 address on television before the American Society of Newspaper Editors, President Kennedy believes that one of the major advantages the Communists have that we don't have for the purpose of scoring victories, derives from their form of government. He put it this way:

"The advantage of a police state -- its use of mass terror and arrests to prevent the spread of free dissent -- cannot be overlooked . . ."

No one questions the importance of this type of advantage, but one growing school of strategists here believe that to attach pivotal importance to it would be barking up the wrong tree in a forest of Communist advantages. They believe that the answer is much more fortunate for our side -- that unlike the factors flowing from the police form of government or totalitarianism, the really decisive advantages have a much longer tradition in America than they ever had in Russia.

The way history proves it out, the Communists now hold two advantages sufficient to explain their winning and our losing. To secure them for our side, we need not change our form of government -- but merely change our national mind. What the Communists have that we have not had since the end of World War II, when we started losing and they started winning, are these things:

1. An objective of victory
2. The resolution to use force if necessary to achieve this objective.

A major study in research and strategic analysis is now available which shows how we got into our present disadvantageous position, how the Communists have built up their power despite many years of military inferiority, and how we can turn the tables.

The Foreign Policy Research Institute of the University of Pennsylvania has for years devoted the major efforts of its research staff to contrasting the respective foreign policies, objectives, military postures, and strategies of Soviet Russia and the United States. In this study, the Institute has pooled the efforts of academic institutions, research organizations, and government agencies.

The product of this research couldn't have been more timely. It has just appeared in the form of a book, entitled "A Forward Strategy for America." Although it carries the authority of a scholarly and comprehensively documented treatise, it is written in non-technical and at times even an exciting style. The authors are Doctor Robert Strausz-Hupe, Colonel William R. Kintner, and Doctor Stefan T. Possony. An earlier work, "Protracted Conflict," by these same strategic experts has been generally accepted as the most authoritative book on techniques of Communist strategy and conflict management.

ASC

COUNCIL NOTES

A NATIONAL OBJECTIVE OF VICTORY

The attached Washington Report outlines the strategists' view that we will continue losing unless we adopt a national objective of victory. "A Forward Strategy for America", mentioned in this report, tells how we can win.

We have purchased 100 copies of "A Forward Strategy for America" for member company executives. Use this form and the enclosed envelope to order your copy.

John M. Fisher
John M. Fisher
President

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AMERICAN SECURITY COUNCIL

205 WEST MONROE STREET CHICAGO 6, ILLINOIS

ENCLOSURE

This book has some rare qualities. In military and political science, as in economics, it is always easier to explain why something happened than to predict important happenings in advance. For example, substantially no economists predicted in advance the 1929 stock market crash. Scores of them explained later exactly why it was inevitable and should have been foreseen by everyone. Similarly, most books on strategy deal with wars long lost - and don't tell you how to win the next conflict. This one does. It was published before the Laos and Cuban crises -- yet application of the principles it sets forth so clearly would have changed the outcome to our favor in both instances. Here is one example:

"The requirements of foreign policy are to assert authority, to enhance prestige, to stand firm, to face down threats, to take risks, to stand by one's allies, to punish one's enemies and, whenever pursuing these tasks calls for the use of force, to use force."

"The single-mindedness and intransigence of the communist bid for world power leaves us no other choice but . . . to accept the ever present contingency that force will be used against us and that we will have to counter it in kind. Our essentially 'other directed' foreign policy has not only failed to alter the international equation in our favor, but has also managed to deceive our own people about the grim true nature of the struggle."

This warning of the result of failure to be willing to use force if necessary would have predicted our defeat in the Cuban crisis days in advance. If its policy had been followed, we would not have been defeated -- unless one is willing to accept the monstrous falsity that the United States did not have enough force to defeat Castro.

Instead of being willing to use force if necessary, we committed ourselves in advance not to use force regardless of the need.

"There will not be, under any conditions," President Kennedy declared days in advance of the landings, "an intervention in Cuba by U. S. armed forces."

It is generally understood in informed circles in Washington that Adlai Stevenson supplied the major influence in persuading the President thus to tie his hands in advance. In any event, the attempt to oust Communist power from Cuba was doomed from that moment.

The mass of Cuban patriots had learned already what the Hungarian freedom fighters learned only while being smashed under Soviet tanks or while being mowed down by Russian guns: the "moral support" of the United States will not help against Soviet military force. Only if the United States had decided to use force if necessary to win would it have been other than useless suicide for them to rise up against Castro's Communist police, his Iron Curtain-armed army and fanatic militia.

In contrast, Khrushchev's unhesitating policy is, if you have enough force to win, you use it. He simply does not worry about what "world opinion" or the United Nations may think. As long as three years after he sluiced the streets of Budapest with the blood of freedom fighters, he indicated that he would do it again -- equally without hesitation:

"Had we not helped you (the Hungarian Soviet-puppet government) we would have been called fools, and History would not have forgiven us this stupidity. International reactionary circles are still trying to discuss the so-called 'Hungarian question' in the United Nations. Let them keep it as a souvenir if this consoles them."

In our case, when it came to a choice between attempting to placate "world opinion" or using just enough force to assure victory, our choice was to attempt to win popularity, not to win the battle.

It is no coincidence that General Nathan F. Twining, while serving as Chairman of the Joint Chiefs of Staff, warned of exactly this danger as long ago as last July, when he declared: "It is my serious conviction that the free world cannot survive on the basis of being first in a worldwide popularity contest."

With the survival of the United States thus in peril, and with the danger that if the trend of Communist victories and U.S. defeats is allowed to continue, the process may soon become irreversible, it is cheering to find this conclusion in "A Forward Strategy for America": "The resources of the free world, both physical and spiritual, far outweigh those of the Communist bloc. If they were fully mobilized, the Communists could not hope to prevail."

Chester Ward

CHESTER WARD
Editor in Chief

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